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5 September 1984

# **USSR Report**

**CONSUMER GOODS AND DOMESTIC TRADE**

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5 September 1984

**USSR REPORT**  
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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### ESTONIAN MINISTER OF LIGHT INDUSTRY INTERVIEWED

Tallinn RAHVA HAAL in Estonian 10 Jun 84 p 3

[Interview with Juri Kraft, ESSR minister of Light Industry by Aivar Hanson:  
"It Is Not Only a Question of Wishes and Skills!"]

[Text] [Question] Usually the victors are not brought to trial and the ESSR light industry was termed to be the best in the Union for the second year in a row. But a victor wants to remain among the best in the future, and for this purpose the past must be correctly judged and the future planned skillfully.

What made the scales of victory tilt in our favor?

[Answer] Producing goods meeting contemporary standards is no longer purely a question of intentions or skills. Modern production demands first of all modern means of production. During the last five-six years we have renewed almost one half of all the installations of our enterprises. At a conference in the Gosplan it turned out that light industry is considerably ahead of other branches of industry as far as modernization is concerned.

In this five year period we will practically re-create the leather and footwear industry. The Tartu NJK hiking boots are already known, and the girls' boots with molded soles, manufactured by "Kommunaar's" Parnu branch, should also gain the favor of buyers. Last December the first stage of the Narva dyed leather factory was completed. We expect to receive from there good leather for the new footwear factory that will come on line next May.

At the moment we can say that all of our enterprises are building something. A total of 34 projects is underway. Of course we would like to install in each of them modern means of production.

However, many of the small branches of our enterprises still suffer from poor working conditions. Our industry is located in 150 different places. There has not been sufficient attention to go around. This cannot go on, every product of every branch is important. Modern goods cannot be made in factories that have remained at the post-war level. There are poor conditions in the Tallinn firms "Linda," "Voit," and "Tekstiil," in the "Noorus" of Kohtla-Järve, and the Rakvere "Virulane." The benefits of modernization may be seen in the Moisakula and Kilingi-Nõmme branches of the Pärnu Flax Combine.

In spite of the fact that we consider modernization to be the keystone for our success, we are still at the very beginning of a great labor. The machinery is in motion. If we can keep up the tempo, then goods meeting all requirements will not be long in coming.

[Question] Being called the best in the Union does not mean that everything is in order. New goods disappear from shelves with unbelievable speed. There should be more of them with a wider selection, new fashions could reach consumers in greater quantity and faster. On the other hand, there are large amounts of goods staying on the shelves, in the warehouses, and production facilities. Why?

[Answer] Always remember that modern products are today a question of technology. True, management of an enterprise receive bonuses for using modern technology. But the total bonus cannot exceed 2.5 monthly salaries a year. Management of a smoothly functioning enterprise will reach that sum rapidly and always. This is the limit of material stimuli.

Moral stimuli and public recognition do not fill the existing gap. It can even happen that an enterprise produces a good new product but the public opinion focuses on the fact that the new product cannot be had immediately and in sufficient quantities. Instead of recognition the enterprise will only experience unpleasant attention. Our second weak point is insufficient knowledge of the consumer's wishes and needs. Fashions change rapidly. Sometimes it even seems that new vogues cannot be predicted. Of course, things are not as bad as that. Predictions can be made rather extensively, but these cannot remain just predictions--so that one can look later whether they were accurate. We intend to create a truly effective market research service.

Over the years we have established very narrowly specialized enterprises. By now this has served its purpose. Now we need a flexible and adaptable industry. A good example of serious difficulties an enterprise may encounter because of narrow specialization and lagging attention to fashion changes is the case of the Sindi Factory imeni 1. December.

At Sindi woolen broadcloth has been made for 150 years. Woolen cloth is a classically fashionable material. The demand was always great, production increased. The factory was reconstructed. Production became so large that only a small portion of the production was sufficient to meet Estonian demand. The bulk was sold elsewhere in the USSR. But then came the breakthrough of capron, impregnated, artificial and mixed materials. They appealed to the buyer with their price and ease of care. Nobody could predict that the classically fashionable cloth would experience such a decline. The result: Valuable products are not moving.

The large clothing factories of other republics will not buy out cloth until their domestically produced woolen cloth has been used up. In difficult times everyone is looking out for himself.

[Question] Why don't we reduce wool cloth production severely?

[Answer] A thorough retrofitting for different cloth production is not economically justifiable in Sindi. Moreover, there are predictions of a new popularity for wool. The representatives of leading fashion countries once again wore woolen overcoats at Sarajevo.

Moreover, here another factor influencing production must be considered. This is the consumer's attitude toward fashions and traditions. Estonian men especially are very conservative in their attitude. When there was a jacket boom we brought material and began production. But there was considerable time before the majority of men abandoned their traditional woolen overcoats. Now it's the other way around. One could once again think of wool, but...

But conservative attitudes toward fashions should not be considered an independent factor. We must recognize that our fashion propaganda is not up to standard in all cases. We know of contemporary goods that are not bought. And they are not bought because we have forgotten that fashion is a great dictator. It educates and schools the wearer. When we weave a fashionable product we must prepare the people to wear it.

Non-moving goods are also favored by the price mechanism. When the question is in a desired fashion product nobody asks for the price. But once goods arrive in greater quantity they are not being brought at the old price. Thus the question of shortages could be severely alleviated by skilled use of price regulations.

[Question] Now that we have reached the problem of shortages, we cannot bypass the question of young people's clothing. This is probably the most discussed topic and yet there is no obvious improvement.

[Answer] Youth is always progressive, it wants to wear clothing that has not existed before. Our efforts usually are frustrated by the material problem. To produce unprecedented clothing needed materials are necessary. Unfortunately, the bad effects of narrow specialization have touched all of our textile plants. We are making great efforts to begin production of good denim, safari cloth, etc. in our own republic.

Earlier we devoted our main attention to children's clothing. Here the situation was even more depressing. Now we can say that the first positive shifts have taken place. We can now pay greater attention to adolescent clothing.

We inspect children's and adolescents' clothing before production together with the sales staff. We have organized competitions for the best ideas in clothing design. The Tallinn Fashion House produces junior clothing specifically for the youth store. But we must not forget that we live in a planned economy. We must consider light industry as an entire system. The expensive cloth of Sindi is not moving. Other enterprises must make greater efforts if the plan is to be met. But the "Noorus" production combine (the main producer of children's and adolescents' clothing) is operating with losses.

Contemporary fashions require complicated processing, and this makes a piece of clothing very expensive. We understand that children's and adolescents' clothing must be affordable, and we recognize that on behalf of the "Noorus" production other enterprises must continue to work with greater profits. But this cannot go on indefinitely. If we solve the Sindi problem then the other firms will have greater leeway. And then we can pay full attention to young people's clothing.

[Question] Now that we are talking of enterprises--what does the minister consider to be a very good enterprise? Which of our firms come closest to the "very good" standard?

[Answer] Up to now we looked at and praised usually those who produced more millions, more meters. But a contemporary good enterprise must meet two requirements--its production must be popular among the people and its production tempo must be good. The Kreenholm Manufaktuur should be pointed out. Their cloth has always had a good reputation. And no complaints can be made about the tempo of production either. Currently the search is underway for production of fashionable clothing.

The Tailoring Combine imeni Klement has always managed to keep up with the times and increase production at the same time.

"Mistra" is operating on the basis of science; science and practice have always worked hand in glove there.

There is no problem selling "Sangar's" production. "Marat" searches and finds new solutions and new production. The Pärnu Falx Combine has managed to predict changes in the market.

[Question] And what will our light industry strive for most in the current year?

[Answer] It is a difficult year for us, just as the farmers have difficult and easy years. We must solve all the problems before fulfilling the goals of the five year period. For this reason our conversation on the eve of the day of the workers in light industry has been more serious than usual. But I avail myself of the opportunity to congratulate all of our workers on their holiday and wish them success in future work.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### ELECTRICAL INDUSTRY DEPUTY MINISTER VIEWS PRODUCTION

Moscow KOMMERCHESKIY VESTNIK in Russian No 10, May 84 pp 2-4

[Interview conducted by A. Motyashov with N. Pronin, USSR deputy minister of electrical equipment industry: "Upholding the Honor of the Sector"]

[Text] [Question] Air conditioners, washing machines, vacuum cleaners, meat grinders, coffee grinders, air purifiers, children's toys, electrical appliances, lighting equipment... Today the enterprises of the USSR Ministry of Electrical Equipment Industry are manufacturing thousands of varieties of consumer goods. They account for about 30 percent of all household electrical appliances and machines introduced in the country. By the end of the 11th Five-Year Plan goods worth more than 2 billion rubles will be produced. These figures, naturally, are impressive. However, what are the specific commodities they represent? Will the sector please the customers with many new items in the immediate future?

[Answer] Yes, our enterprises will soon be offering on the market a number of new commodities. I am confident of this, for after the 26th CPSU Congress the sector based its approach to the production of consumer goods on a different principle. During the 9th and 10th five-year plans the ministry's enterprises tried to produce a larger number of goods without particular concern as to the type of customers. Now, when the market has become saturated with electrical household appliances, the requirements relative to our work have changed. In undertaking the production of a new commodity, the specialists always try to imagine the type of customer who will be using them. The purpose of this approach is to see to it that the people acquire the necessary appliances on the basis of their income level, national way of life, family structure, etc. It is precisely thus that we determine today the variety of household equipment for the rural population and the residents of the northern and southern parts of the country.

The enterprises now have begun to produce items for the mechanization of the work in the private plots (spraying machines), the treatment of fruits and vegetables (increased efficiency juicers and root crop cutters), and for repair and construction work (wood machining tools and systems, drills and grinders with attachment sets). The variety of items produced for children's technical creativity and appliances for personal hygiene and household medical

equipment (dry air portable tubs and massage systems) is increasing substantially.

The labor collectives are concentrating on the production of electrical appliances and machines enjoying greater population demand. This includes lamps, electric water heaters, mixers, toasters, heating facilities for warming and cooking, electric timers, small washing machines, hair dryers, well pumps and easier-to-use vacuum cleaners. Briefly stated, the ministry and the enterprises try to supply the market with all the goods it needs, to improve their technical standards to reduce their energy and material intensiveness and to improve their design.

[Question] We frequently see in the stores electric hotplates, washing machines or other appliances of three or four different brands, hardly distinguishable from each other. Is this merely because they are produced by different plants? Such "abundance" of variety hardly satisfies the people as we can judge by the large number of such items which are gathering dust in warehouses. Is the sector resolving the problem of such twin items?

[Answer] Naturally. The Ministry of Electrical Equipment Industry has formulated a comprehensive program for production development, renovation of variety and upgrading the quality of household items, which is being successfully implemented. Already now industry is ready to produce items which are basically new and have high-level consumer and ergonomic characteristics, i.e., which are multifunctional and less energy- and material-intensive compared to existing models. For example, the enterprises can increase their production of electric plates with rings made of heated pipe elements. The efficiency of such items is higher by a factor of 1.3 and their durability by a factor of 2.5 compared with the stamped heating element models (which today account for 80 percent of the overall volume of produced hotplates—precisely those same twin items you mentioned). The production of the new hotplates will enable us to save about 1.5 billion kilowatt hours of electric power annually. However, the Ministry of Ferrous Metallurgy enterprises are not supplying a sufficient number of stainless steel pipes to the Ministry of Electrical Appliances Industry. This is delaying the production of such greatly needed items.

Of late the production structure for lamps has substantially changed. Today one can buy in the stores lamps with energy-saving fluorescent tubes. The share of galvanized elements with the alkaline "lux"-type electrolyte is increasing. Such elements are considerably superior to saline elements in terms of durability.

The comprehensive program also calls for developing the production of basic models of complex household equipment on the basis of standardized complementing items and elements. This will enable us to resolve several problems: to lower production costs, upgrade quality and facilitate the work of service enterprises engaged in repairs of electrical appliances. Furthermore, standardization will make undertaking the production of new models, consistent with modern standards and population requirements, less expensive and more efficient. Naturally, a corresponding retooling of the production process is needed as well as improving the system in managing the

development of household items and machines, something on which we are currently working.

In accordance with the comprehensive program, we are planning the extensive application of technological processes, such as metallizing plastics, hot enameling and use of heat-resistant teflon lining.

The increased production of commodities in the sector is taking place essentially through the development of existing specialized enterprises. This enables us to make more efficient use of available reserves and to expand and renovate variety.

[Question] Everything seems to indicate that grounds have been laid for successful work.

[Answer] Indeed, the collectives in many production facilities have a responsible attitude toward the production of consumer goods. For example, the Riga Electrical Machine Building Plant has developed the largest production facility in the country for the manufacturing of washing machines. "Riga-17"--a reliable and economical unit--has gained a good reputation among consumers. The entire output of the plant for household air conditioners in Baku bears the state Emblem of Quality. It is currently mastering the manufacturing of air conditioners with a heat pump. This appliance can cool or heat the air. The trade organizations are willingly purchasing the output of the Elektrosila Production Association in Leningrad. One can learn from the people of Leningrad how, year after year, without expanding production areas and with the same forces the production of high-quality goods may be increased, such as vacuum cleaners, electric meat grinders, electric water boilers, teapots and samovars. The Moscow Searchlights Plant has done a great deal to organize the production of modern household equipment. "Evrika" washing machines, steam irons, flashlight batteries and electric fireplaces produced by this enterprise need no recommendation. The enterprise is improving its output steadily. Its latest FKAV-12 model flashlights were awarded the "N" index. Dozens of similar cases could be cited. Nevertheless, not all ministry enterprises have undertaken the production of consumer goods. Some plants are slow in updating their variety and are producing losing items. We consider the elimination of such shortcomings a considerable reserve in increasing goods production. The production workers try to make better use of available scientific potential. Leading institutes and design bureaus have been recruited to design and master the production of household appliances and machinery. They include 30 head organizations in charge of producing various items and 25 sectorial design bureaus. They supervise the implementation of their recommendations in the expert evaluation of technical assignments involving experimental design, testing prototypes and checking technical standards while the goods are being prepared for certification. Let me emphasize that such work is being done also with the collectives of sectors and enterprises under other ministries and departments. This is explained by the fact that a variety of household appliances we produce are manufactured by 350 enterprises of 39 ministries and departments in the country. Under such circumstances we cannot do without pursuing a unified scientific production and technical policy. By ministerial order a specialized interdepartmental council has been set up to coordinate the production of commodities assigned

to the Ministry of Electrical Appliances Industry. A chief designers' council has been set up as well. Its task is to help speed up the development and production of new models of electrical appliances. Also unquestionable is the usefulness of the joint work done by the ministry and the All-Union Scientific Research Institute of Technical Aesthetics (VNIITE) in improving the sectorial system of expert evaluation of commodities. This prevents items inconsistent with contemporary requirements from reaching the market.

[Question] You have listed a number of measures the implementation of which could sharply increase the production of high-quality household appliances and machines. Nevertheless, this project is not developing as rapidly as it should. This is confirmed by the unsold goods in stores. Does this not mean that the efforts of the ministry and its subordinate organizations and enterprises alone are not sufficient in order to meet demand fully?

[Answer] A number of problems exist, which can be successfully resolved only through the joint efforts of different economic sectors. I believe that we must centralize scientific research in household electrification on a national scale, for this problem is closely related to social, economic, energy, demographic, architectural-housing and other factors. We still have no organization which could formulate scientific proposals on the development of essentially new models of household appliances, actively defend consumer interests and purposefully resolve problems of variety.

[Question] What about the trade organizations? Do their recommendations not reflect the opinions and tastes of the customers?

[Answer] Every year the USSR Ministry of Trade sends to the Ministry of Electrical Appliances Industry requests on the volumes of output of consumer goods and market stocks. However, they cover only part of the items of the variety assigned to the ministry (25 out of 47). This makes it difficult to determine overall requirements for household electrical appliances, not to mention planning their production on a long-range basis.

Wholesale trade fairs have become one of the proven economically expedient methods for establishing economic relations between trade and industry. However, the existing procedure for the allocation of commodities is based on the priority right of wholesale bases to sell goods to enterprises located within their area of activities. The principle of maximal sales only within their production area does not take fully into consideration the needs of other areas. Frequently enterprises are forced to terminate the production of good items which could be sold in other areas and to develop and master the production of new items (we are not speaking of rolling pins or twig brooms but of complex appliances requiring considerable state outlays). The existing system for the distribution of mass goods is one of the reasons for overstocking some items in some areas and the appearance of shortages in others. The time has come to formulate and implement a set of measures which would ensure the distribution of goods in volumes proportional to individual regional demand. This would enable us to eliminate arising disproportions in the trade with household electrical appliances.

A specific organizational structure has developed in the electrical appliances industry, which could be considered as a sectorial demand study service. The household electrical appliances section is the head organization in charge of the study and forecasting of population demand for electrical household appliances of Informelektro. It coordinates the work and ensures methodical support and summation of the results of enterprise and organization activities. Reality itself forced us to organize such a service without which no planning of the production process is possible. Today it would be impossible to predict when demand for one commodity or another will be stabilized, reduced or drastically increased with the help of cottage industry methods, without scientists and specialists.

We hope that the company stores will help us to determine demand better. A decision has already been made to build such a store in Moscow. A single store, naturally, is not enough but is better than nothing. With its help we shall be able to determine the social requirements and preferences of the urban population and market circumstances and change production volumes and varietal policy in the sector with greater reliability than today.

The company stores will also enable us to influence price setting more effectively (such experience already exists in light industry). Today the instruction on temporary prices of new consumer goods of improved quality helps to stimulate the production of consumer goods and to improve their consumer qualities. Practical experience has confirmed the effectiveness of this new development. A number of plants have updated their variety and increased the production of household electrical appliances. In 1982, for example, items carrying the "N" index worth 80 million rubles were produced in the sector; last year's output of such items reached 143 million rubles. In order to influence the manufacturers even more strongly it would be expedient to set staggered prices based on the production stage and the level of satisfaction of demand for some commodity models. Trade experience in recent years has proved that under the conditions of a market close to being saturated stable high prices (for crystal lamps, for example) could quickly result in overstocking. We should probably review retail prices of some items and set them at a level which will increase sales. We could accomplish this by analyzing the work of company stores.

In conclusion, allow me to remind through this journal related ministries engaged in the production of new types of materials and complementing goods, such as the Ministry of Construction Materials Industry, the Ministry of Light Industry and the Ministry of Instrument Making, Automation Equipment and Control Systems, that improving the quality of household electrical equipment greatly depends on them as well. In other words, joint efforts are needed by virtually all economic sectors.

Today everyone "must resolve the problems of intensive economic development far more energetically," said Comrade K. U. Chernenko, CPSU Central Committee

general secretary, at the meeting with voters of the Kuybyshev Electoral District, "for it is only on this basis that the increasing satisfaction of the material and spiritual needs of the people can be achieved."

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### USSR DEPUTY TRADE MINISTER ON WHOLESALE TRADE FACILITIES

Moscow KOMMERCHESKIY VESTNIK in Russian No 12, Jun 84 pp 8-9

[I. Starostina report on address given by USSR deputy minister of trade S.D. Aleshin at a Gorkiy all-union conference of grocery trade wholesalers: "Being Responsible"]

[Text] How is it possible to raise the responsibility of wholesale trade for providing the stores with the necessary goods for consumers? What must be done to make work results in the wholesale sector depend directly on the final result--the quality of services offered and meeting market requirements in accordance with demand? These and a number of other questions connected with further improving wholesale grocery trade were discussed at an all-union conference that was held this spring in Gorkiy. Leaders from the union republic ministries and the republic and oblast "Bakaley" ["Grocery"] offices and representatives of the food, bakery and canning industries and fruit and vegetable producers participated in its work. Deputy USSR minister of trade, S.D. Aleshin, presented a report on improvements in commercial work to satisfy more completely consumer demand for foodstuffs.

#### The Guarantee from the Middleman.

From habit the wholesale wing is still called the rear elements of trade. It is, however, obvious to all that it is on the reliability of these rear elements and on how perfect the operation of wholesale trade is that the fulfillment of all the crucial tasks now facing the sector largely depends. In actuality, wholesale trade is responsible for organizing the production of essential goods, for their range and quality, and for the uninterrupted availability in the stores of all the articles produced by industry. These are today's requirements. How are they being met?

First of all it should be noted that during the years of the 11th Five-Year Plan there has been an increase in the sale of many foodstuffs, including canned goods, tea, vegetable oil, margarine, canned fruits and vegetables, champagne and so forth. The "deficit" has noticeably surrendered its positions,

and the production of articles in short supply has been organized in many places. And for this the wholesale grocery trade undoubtedly deserves its due.

In many republics the most serious attention is now being paid to developing wholesale trade, strengthening its material-technical base and improving commercial operations. Good results have been achieved in the Lithuanian SSR, where responsibility for the production and marketing of goods for the market and the management of commodity movement has been laid fair and square on the wholesale wing. Of late, cases of miscalculations in supplying retail trade with essential items have decreased, and much is being done through the combined efforts of trade and industry to satisfy more completely consumer demands in that republic.

In Belorussia, for a number of years capital investments in the "trade" sector have been allocated to develop wholesale trade. As a result the material-technical base has been strengthened and warehouse operations for wholesale trade have been expanded. Wholesale trade in the republic is becoming a holder of goods and thus has opportunities for controlling the market situation and maneuvering in good time with commodities, and of placing orders for the production of articles in short supply.

It must be said that the positive changes in the work of wholesale trade that have taken place in recent years are gratifying. And the experience of the best wholesale subdivisions in the sector is worth the most careful study and broad dissemination.

Today, however, what we must, unfortunately, also talk about is the fact that many unresolved tasks remain in wholesale trade. As before, there are frequent cases where specialists in the wholesale trade wing fail to show the necessary exactingness toward industry and reconcile themselves to instances of nonfulfillment of delivery agreements. The demands and orders made of trade are not always economically sound or they fail to reflect true market requirements for given commodities. Many practical examples confirm this. Thus, for example, last year an application from the Azerbaijan SSR Ministry of Trade for tea and canned goods was satisfied only 20 percent. However, even this amount turned out to be more than enough for the republic: during the year funds for this group of commodities were not fully assimilated. It would seem that the appropriate conclusions would be drawn from the miscalculation that occurred. But no--the 1984 application for tea and canned goods contained the same figures as last year.

This year the RSFSR was allocated only 60 percent of the requested amount of mineral waters and grape wines. It can now be said with complete justification that in this case the application was a "ballpark estimate"--without the necessary substantiation, economic computations or proper study of demand. The fact is that goods allocated are being refused and funds remain unassimilated.

In the retail trade many justified complaints are being made about wholesale trade. In order to handle in a businesslike way the the output produced by industry locally, and to insure the uninterrupted supply of this output for

the stores it is essential first and foremost to concentrate all the goods in one pair of hands, as they say--the hands of wholesale trade. The requirements here are the same--bases that should conclude agreements with suppliers for the entire volume of output produced. This is precisely what is being done in Estonia, Lithuania and a number of oblasts in the RSFSR. But in Georgia the wholesale grocery trade has simply washed its hands of its duties as middleman. Here they have preferred to build relations with industry only on the basis of direct agreements, thus passing on their responsibility to the retail trade. Wholesale trade people are acting in a similar way in Uzbekistan and a number of other places.

The expenses involved in this practice are well enough known. In some cases stocks are built up that obviously exceed sensible requirements, while in others there are various kinds of local shortages.

The needs of retail trade, unfortunately, are by no means always a subject of concern in the wholesale wing. How else, for example, can we explain the fact that in the stores of Novgorod Oblast the sale of juices and jams is intermittent when, as is known, there are adequate supplies of these commodities. Today, there are no shortages of gelatine or food concentrates either. But a check showed that the shopper can by no means always find them in the stores in Orenburg Oblast.

Why? As is known, the wholesale bases carry the responsibility for uninterrupted supplies of goods to stores and in the required assortment. This is exactly what is said in the CPSU Central Committee and USSR Council of Ministers decree "On Improving Planning and Strengthening the Influence of the Economic Mechanism on Increasing Production Efficiency and Work Quality."

#### On a Basis of Mutual Exactingness.

From time immemorial the people of Vladimir, Ryazan, Novgorod, Moscow and other oblasts have grown horseradish on the land. And the seasoning prepared from its root is traditional for the Russian kitchen, and this has also been the case for centuries. But it now looks as if this tradition may be broken. In any event, horseradish for the table on the shelves of the stores is a great rarity and the production of horseradish is extraordinarily small compared with demand.

Vinegar, mustard, pancake mix, and dried bread crumbs are grocery items that according to some wholesale bases and offices are on the list of items in short supply. In Kirgizia, Kazakhstan, a number of oblasts in the RSFSR and the republics of Central Asia wholesalers are on the lookout for opportunities to purchase these items on the side and import them from the other end of the earth regardless of cost. The specialists in wholesale trade should realize that the lack of everyday goods for sale causes justified censure from purchasers, and numerous complaints.

In these cases the wholesale wing is certainly empowered to bill industry for the lack of essential goods for sale. However, they should also approach the results of their own work with great exactingness. Have they shown commercial

activeness in relations with suppliers? Are they making full use of measures to influence industry? Does wholesale trade always consistently defend the interests of the purchasers?

The experience of Ukrptbakaleya [the Ukrainian Wholesale Grocery Administration] office and its oblast bases and subdivisions provides an answer to these questions. It should be noted that in the Ukraine for many years there has been planned and persistent work to increase the output of essential foodstuffs, and principled, businesslike cooperation with industry. As a result, in 1983 Ukrptbakaleya overfulfilled its wholesale trade turnover plan. More of various kinds of grocery items than envisaged by the plan were delivered to the market. Ukrainian wholesalers also fully met their pledges to other republics. Last year, above-target output worth R421 million was produced.

On orders from the wholesale wing, within the republic the production of more than 120 new products was organized.

What, then, forms the basis of the results that have been achieved? It is first and foremost constant work to improve economic links with industry. Strict and effective control over the fulfillment of pledges made to suppliers has been established in all subdivisions of Ukrptbakaleya. The wholesale trade specialists give their attention to every case involving the violation of contracts that have been concluded.

Within the republic skillful use is being made of the mechanism of exerting influence on industry, as for example, the wholesale markets. Whenever the conversation turns to determining the volume of production and the output range, specialists in the wholesale wing defend the interests of the purchasers in a solid and convincing way, since they are aware of market requirements and conditions and demand.

The Ukrainian wholesale grocery office recently set itself the task of eliminating the import of many goods from other oblasts and of achieving their production locally. And today it should be noted that this task has been fulfilled. Mustard, pancake mix, dry kiszel [milk jelly--ed] and a number of other essentials are being produced everywhere in the republic. As a result, Ukrptbakaleya's transportation costs have been cut R750,000.

As is known, within the food industry in the Ukrainian SSR, one of the country's five national economic sectors, an economic experiment has been started that has as its aim enhancing the responsibility of the production facility for the final results of its work. Interdepartmental operational groups have now been set up in all the republic's oblasts, and these groups have been assigned the duty of producing goods in accordance with demand. Wholesale trade in the republic has now reached a point where market conditions form the basis of the production programs. Suppliers have started working to a new rule: if there is an order from trade it must be completed.

There is, however, one condition—the order must be absolutely accurate and economically sound. While dealing strictly with the suppliers, wholesale trade specialists in the grocery trade are also exacting toward the results of their

own work. Thus, if an order is placed with production, the responsibility for marketing is laid entirely on the wholesale subdivisions.

Within the republic, wholesale and retail trade do not divide up the worries on a "theirs and ours" basis because they realize that they have a common purpose, namely to satisfy consumer demand more fully. In all oblasts of the Ukraine dispatcher services have been set up to constantly monitor deliveries to the stores. Recently increasing numbers of goods are being passed into the retail trade network from the wholesale trade warehouses, which is making it possible to fill retail orders at a higher qualitative level and more rapidly.

... Such are the main problems in the wholesale grocery trade, as discussed at the Gorkiy all-union conference. They once again underscore the great demands being made of the wholesale wing; and these demands must be met.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### COMMODITY TURNOVER FIGURES FOR FIRST QUARTER OF 1984 GIVEN

#### First Quarter Republic Statistics

Moscow SOVETSKAYA TORGOVLYA in Russian 17 Apr 84 p 1

[Article: "USSR TsSU (Central Statistical Administration) Reports"]

[Text] Commodity turnover of state and cooperative trade in the first quarter of 1984 totaled 77 billion rubles, including 21.3 billion rubles in consumers' cooperative society's turnover.

The plan for the aggregate volume of retail commodity turnover in the first quarter was fulfilled by 100.3 percent. In comparison with the first quarter of 1983, the retail commodity turnover in the first quarter of 1984 rose (in comparable prices) by 5.1 percent.

The growth of commodity turnover in the first quarter of 1984, compared to the first quarter of 1983, by union republics is characterized by the following data:

RSFSR	104.9	Moldavian SSR	106.0
Ukrainian SSR	104.7	Latvian SSR	104.3
Belorussian SSR	105.0	Kirghiz SSR	105.0
Uzbek SSR	106.9	Tajik SSR	106.5
Kazakh SSR	106.0	Armenian SSR	104.7
Georgian SSR	107.4	Turkmen SSR	107.7
Azerbaijan SSR	106.9	Estonian SSR	104.5
Lithuanian SSR	104.2		

#### Commodity Plan Fulfillment

Moscow SOVETSKAYA TORGOVLYA in Russian 17 Apr 84 p 1

[Article by Yu. Gryzanov, SOVETSKAYA TORGOVLYA economic reviewer: "Consolidate and Increase What Has Been Attained"]

[Text] Workers of state and cooperative trade fulfilled the plan established for the first quarter for aggregate volume of retail commodity turnover by 100.3 percent, and without taking into account the additional quota, by 101.2

percent. The population sold 236 million rubles of food and non-food goods more than anticipated. In comparison with the first quarter of last year, retail commodity turnover increased by 3.3 billion rubles, or by 5.1 percent (in comparable prices).

Plan fulfillment is secured in state as well as in the cooperatives' trade and is handled well in all union republics.

Workers collectives of the Russian Federation, Estonia, Armenia, Latvia, and the cities of Moscow and Leningrad attained the best results. Workers of the country's book enterprise trade achieved high showings, fulfilling the plan of commodity turnover for the first quarter by 103.5 percent--Soyuzpechat by 101.2 percent. The plan was fulfilled successfully as well in the majority of the main administrations of labor supply and administrations of labor supply of the industrial ministries.

However, the attained tempos of commodity turnover growth have not been sufficient everywhere to provide the plan with an additional quota. It was not accomplished in the first quarter by the collectives of Uzbek, Kazakh, Tadzhik, and Turkmen trade enterprises.

In the Ukraine and Belorussia, cooperative trade workers did not manage to fulfill the plan. It was not fulfilled either in trade organizations of worker supply administrations under the USSR Ministries of the Coal Industry and Nonferrous Metallurgy.

It should be noted that available reserves of commodity turnover growth are far from fully utilized in a number of places. For example, in such union republics as Uzbek, Tadzhik, and Turkmen there are above-norm reserves of goods for 25-30 days of trade which must be drawn into circulation with the help of effective moving of goods between trade systems and sectors and improving organizations selling a wide assortment of articles.

The populace received 8 percent more meat products, 10 percent more dairy products--including 11 percent more butter and 8 percent more cheese--18 percent more cotton fabric, 16 percent more linen, 15 percent more silk, and 13 percent more bed clothes than last year. Trade deliveries of colored television sets increased by 11 percent, and washing machines and electric vacuum cleaners by 6 percent.

Overall the plan for delivering basic goods was exceeded in the first quarter, according to the market fund. However, as usual the workers of many industrial enterprises are not fulfilling commitments of output and the dispatch of consumer goods in the variety agreed to with representatives of commercial trade services. Nearly three million pair of box-calf boots, of which nearly half were intended for children, and more than one million pairs for the spring-summer season, were due consumers of the collective of enterprises of the footwear industry. Workers of the industry did not ensure in full, either, the plan fulfillment for delivering cotton, satin, men's cotton shirts, athletic clothes and pants, commercial timber, lumber and a number of other goods.

Conducting seasonal sales of a fall-winter variety of goods at reduced costs affected positively the development of commodity goods turnover. More than 200 million rubles have already been realized on such goods. The sale of carpets has also come to life noticeably, and a tendency for increasing the sale of fine goods has begun to appear. In addition, the conducting in Ashkhabad, Baku, Yerevan and Tbilisi of interrepublic fairs for selling surplus goods, and additional wholesale fairs for selling carpets, carpet wares and fur goods has facilitated expanding the range of goods intended for sale, improving the distribution of their supply by regions, and hastening turnover.

Strengthening discipline of the interrepublic delivery of goods and delivery into the union fund is an important reserve of developing retail commodity turnover. It has particular significance for the republics, the population of which is supplied a number of goods via interrepublic commerce. At present, workers of wholesale organizations and industrial enterprises of individual supplier republics still violate the established procedure of priority shipment of goods according to plans for interrepublic deliveries. For example, in January and February retail organizations and industrial enterprises of Georgia failed to ship 11 million rubles worth of cotton, woolen, and silk cloth, 2 million of knit goods, and 1 million rubles worth of sewing goods to other republics. From Kazakhstan to other republics, nearly 10 million rubles worth of woolen cloth and 700,000 rubles of knit goods were undelivered. Moldavian and Uzbekistan suppliers as well owed a number of goods to consumers of other republics.

Improving the efficiency of servicing purchasers in conditions of a growing volume in the supply of goods is closely tied to the development of the material-technical base of trade. However, plans for constructing retail trade and food catering establishments, warehouses, and refrigerators in a number of union republics have not been met. Thus the fulfillment of the capital construction plan has been met at the 45-70 percent level in the Russian Federation, Kazakhstan, Moldavia, Kirghizia, Tajikistan, and Turkmenistan. Insufficient exactingness by the leaders of union republic trade ministries, to a certain extent, explains the arrears in fulfilling planned contractual work in construction of a number of commercial objects, including such important ones as, for example, a refrigerator with a 10,000-ton capacity in Kutaisi.

As usual 5 percent of the assignment from domicile construction is being used unsatisfactorily for constructing trade objectives in the RSFSR, Kazakhstan, Moldavian, Latvian, and Azerbaijan union republics. At the same time precisely here a network of retail trade and food catering establishments stand out from the established norms.

Workers of food catering establishments fulfilled the first quarter commodity turnover plan by 101.2 percent in all, and additionally realized 78 million rubles of produce and goods. Compared with the first quarter of last year, turnover in food catering increased by 5.1 percent. Culinary specialists of every union republic fulfilled the commodity turnover plan.

The plan for the output of produce of personal production by collectives of food catering establishments was fulfilled in the country as a whole. Its volume compared to last year's rose by 3.5 percent. However, culinary specialists of Uzbekistan, Kazakhstan, Tadzhikistan and Armenia did not manage to fulfill this important indicator. It is necessary that the food catering collectives of these republics in the near future make up for this neglect.

The plan for retail commodity turnover for the second quarter has been established with an estimate for raising the tempo of the sale of goods. The amount of commodity turnover, including an additional quota, was established for April-June in the amount of 78.34 million rubles, or a growth of 5.8 percent over the second quarter of last year.

The plan has been put into force, has become law, and as comrade K. U. Chernenko stated in his speech at the CPSU Central Committee April Plenum it must be respected, observed, and strictly fulfilled.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### VALUE OF SURPLUS GOODS AT WHOLESALE FAIRS EXAMINED

Moscow KOMMERCHESKIY VESTNIK in Russian No 11, Jun 84 pp 10-12

[Article by N. Rodionova, KOMMERCHESKIY VESTNIK special correspondent, Yerevan: "On a Commodity Which Has Become Superfluous"]

[Text] Earrings, artistic panels, tomato paste, plush tablecloths, acetate blouses, color television sets, Orenburg shawls, Sochi-style handbags, toy rabbits... What could be a feature common to all of these objects? Nevertheless, these were all items exhibited alongside their firm specifications at the temporary stands and were part of business deals. These are "unlucky" items which became superfluous. The regular interrepublic wholesale trade fair for surplus items for 1984 was held in Yerevan. Such sales are held on a monthly basis. Over the past 6 months they have taken place in Yerevan, Baku, Tbilisi, Tashkent, Ashkhabad, Alma-Ata, Gomel, Kirovabad, Dushanbe and Sukhumi.

The instruction clearly states the following: "Wholesale trade fairs for above-norm stocks and surplus consumer goods take place for the sake of giving practical assistance to trade organizations, industrial enterprises, establishments and organizations in selling above-norm stocks and surplus goods, materials, raw materials, semifinished items, non-reusable packaging, fuel and other material resources...."

We go over it once again: "For the sake of giving practical assistance to trade organizations, industrial enterprises and establishments."

The fair was attended by about 1,000 people from 14 republics--people employed in trade, at wholesale bases, industrial enterprises and auxiliary farms and industries of kolkhozes and sovkhozes and representatives of union and republic trade go-between offices. The fair lasted 3 days instead of 2 as planned. Goods worth 410,300,000 rubles were offered. Sales totaled 58,300,000 rubles. A simple calculation shows that only 14 percent, i.e., slightly more than one-seventh of the goods offered were sold on this occasion. The balance will go to the next fair. Is that always the case?

"Yes, always," we were answered by the specialists from the Union Trade Co-Between Office of the USSR Ministry of Trade. "Usually, as a rule, 10-15 percent of the goods offered are sold. This is a special quick-sale fair. The items exhibited as well are specific. What is left will be sold or shipped to other republics after the other fairs are over."

The assortment of items on the exhibition table looks like leftovers from a long-forgotten discount goods store. "Were there any sales?" I asked the representative of the enterprise. "Very little." "Will you then have to revise your offers?" "No, no reason. This is what the people buy here. We shall take the goods to another fair and, eventually, everything will be sold."

What type of items do we see now? Basically, they fall into two categories. The first are goods which become superfluous as a result of hastily anticipated amounts of store requests or an unexpected drop in demand, something which is exceptionally rare. The second group includes substandard items (according to the regulation discarded and marked-down goods are not sold here). These goods are substandard, i.e., they are goods which trade organizations have refused to purchase because of disparities between them and the samples purchased at the annual interrepublic wholesale trade fairs and because of their drastically worsened quality.

It is indicative that, unfortunately, with every passing year the second group is growing and an increasing number of industrial enterprises are participating in such fairs. Why? Above all, as we pointed out, because for a number of reasons—"objective and subjective"—and frequently because of failure to procure the necessary materials and raw materials they are forced to worsen the variety. Nevertheless, the prime reason lies elsewhere: in the daily customer, the ordinary purchaser, whose consumer standard is rising considerably faster than that of the producer.

The Aktyubinsk Knitted Goods Production Association specializes in the manufacturing of underwear made of kaproviscose and acetate fiber. The goods it offered at the fair were worth 1.7 million rubles. How much was sold? Nothing, sadly answer the association workers. Z. Radchenko, marketing department economist, explained as follows:

"The bases are refusing to accept acetate underwear because they are already overstocked. There is still hope for regional demand. Thus, our items sold very poorly in Kazakhstan, whereas, at the same time, we were able to sell something in Vladivostok. Here again we are 'testing fate,' although the situation involving our goods is difficult. Totally unsaleable goods account for about 760,000 rubles' worth of the overall volume of output of the production association. Frankly speaking, quality may also be insufficiently high but the main reason, nevertheless, is that customers are no longer willing to buy underwear made of such fabrics. We are forced to look for a solution. We have now decided radically to restructure our variety in order to make a total conversion in the future to upper knitted goods. We have already established our testing laboratory. One year ago the Kazakh Knitted Goods Industry Administration opened its own store Moda in Alma-Ata. Within this short period of time it proved itself an excellent assistant of ours. Here several new items based on contractual prices were tested. A fabric resembling the popular "cheesecloth" was made of acetate wool. Original inexpensive clothes were made with it, which have been in demand."

Therefore, the association is planning a total conversion to upper knitwear in the future. The idea is timely. However, will this resolve fully the

marketing problem? It may, obviously, if the idea of changing the variety is backed by the impeccable manufacturing of models which a client would purchase.

Based on the example of acetate underwear, it would be interesting to see how the slowness of the industry affects our wardrobe and fashion and the way all of this boomerangs on the interests of the industry itself. Here is a delicate detail: today many girls prefer to wear no underwear whatsoever. Why? To a certain extent fashion is "to blame." On the other and...of late trousers are being worn even more than dresses, as a result of which the ordinary long blouse becomes totally incompatible. Nevertheless, blouses have remained just as long. No comfortable, soft and convenient blouses made of natural or natural-like materials have been produced. Therefore, demand for underwear has declined although industry continued conscientiously to increase its output.

A tear-jerking novel could be written on the fate of souvenirs exhibited at the superfluous goods fair. As we know, a souvenir means "a gift for remembrance." It must be a beautiful, a pleasing object.

The artistic industry's association in Ordzhonikidze exhibited items made of marble bits. Portrait frames, sadly surrounding children's heads, ornate candle holders, and intricate marble "curlicues" were all kitsch items already approved by "exigent" experts of art councils on all proper levels.... Taking us back to the well-forgotten times of filling chests of drawers.

"Obviously, it would be useful for our fairs to have their own small but quite exigent artistic council, which would block once and for all the access to the consumer of tasteless anti-artistic goods," said Ye. Mosolov, deputy manager of the Union Trade Go-Between Office, in sharing his considerations with us.

Would this indeed make sense? For a "live" market is hardly always able to sift out such large amounts of scraps.

Unofficial participants in the fair--the auxiliary industries of Ivano-Frankovsk Oblast sovkhozes and kolkhozes--exhibited a quite distinct "collection" of souvenirs. They stood out not only in terms of output but status as well, although it would be difficult to describe such status as that of outcasts. Representatives of these enterprises were not registered as participants. Their specifications were not recorded and the deals they made through the go-between offices were not processed. Why?

The answer came from N. Kur'yanov, senior commodity expert of the Union Trade Go-Between Office:

"First of all, they were not issued a permit by the wholesale base, which is necessary in order to participate in the fair. Secondly, they cause frequent disturbances with the groundless and excessive prices they set for their commodities. Generally speaking, considering the assortment of goods they bring in, I believe that they should be better off to mind their own business, which is the production of agricultural commodities."

Let us put up a big question mark at this point and look at the exhibited goods. The variety is "sickeningly" familiar: yellow plastic charm bracelets with little flower designs and an entire rosarium of handles for automobile gear switches, some kind of masquerade beads, cheap panels displaying girls with bow-shaped lips, plates with pictures of little boys and girls sitting, I beg your pardon, on chamber pots, bags with faces of singers and landscapes of the hot South, etc. Actually, I could be considered prejudiced by failing to point out that not all the items were inept. My attention was drawn by well-made women's belts, comfortable hats for children and beautifully made napkins. Briefly, the variety was considerable but worth thinking about. I was struck by the sad similarity of items exhibited by the different farms and by the stereotype on which such "collections," oriented toward an old market, was being developed. I was also amazed at the scope of the production of souvenirs and kolkhozes and their price-setting system, according to which absolutely identical children's hats made by the different farms were priced respectively at 6.8 and 12 rubles. Another mysterious fact was that despite the very low demand for such items kolkhozes and sovkhozes find it possible to continue their production.

I was interested in the view of trade officials on this matter.

N. Shevchenko, commodity expert of Dom Torgovli department store in Kharkov:

"For the past several years I have seen at the fairs the same type of souvenirs produced in Ivano-Frankovsk Oblast. These industries do not take actual demand into consideration. Their items are of substantially lesser quality than those of the Solani Association of Art Industry and Souvenir Manufacturing Enterprises in Tbilisi and the Armsuveniry i NKhP Production Association. Therefore, these industries must urgently reorganize their production program."

The various commodities find their way to this fair by different roads. Along with jewelry items and crystal and glassware, the Suvenir Factory in Sukhumi is also offering tablecloths and napkins from unwoven fabrics. They are thin and elegant. They look like they are made of paper but are easy to wash and iron. They are relatively inexpensive and practical. Yet, although this novelty has barely made its appearance, it has found itself in the company of superfluous goods. The only reason in this case is the poor, insufficient or inept advertising.

The Main Cooperative Farm Trade Base in Dnepropetrovsk sells farm tools, which are durable goods. Demand for such items has dropped substantially, for the population is already well supplied. Does this mean that a major error was made in terms of expected orders? There is also a surplus of furniture of obsolete and rather monotonous models.

But a fair is a fair. Here tobacco has been traded for underwear, cups for television sets, dresses for tablecloths and canned goods for shoes. According to overall data barter accounts for no more than 10 percent of all sales.

Let us listen to the exhibitors.

L. Poluektova, senior commodities expert at the Leninskuglya Workers' Supply Department:

"This time we were able to purchase enameled utensils, carpets, some clothing and cosmetics. However, we wanted and could have purchased much more. Many representatives of trade organizations in the Transcaucasian republics, which were in the majority at the fair, offer goods, even unsold ones, only on a bartering basis. What they want in exchange, however, is essentially imported goods, something which we do not have. They frequently go back with their goods unsold. Meanwhile, we return empty-handed."

V. Maksimenko, department chief at the Kharkov department store:

"I brought to Yerevan goods worth 140,000 rubles and bought 120,000 rubles' worth. Yet I could have bought a million rubles' worth. The local trade, is most frequently interested in bartering items, cotton goods in particular, in which we are quite interested. I also bought little because the items offered here in great quantities are inconsistent with modern requirements in terms of variety and quality. For example, we need good men's overcoats or coats made of artificial leather. Alas, they are not to be found."

Superfluous goods... Why has the fate of so many of them been so sad? Today thousands of people are forced to sweat over items which thousands of others planned and made, investing time, effort and high-quality raw and other materials.

"Should we tolerate the fact that, considering the scarcity of many items, good-quality raw and other materials are used to make goods which will remain unsold, piled up in warehouses and, later, necessarily, be marked down?" the December 1983 CPSU Central Committee Plenum noted.

"Let us ask ourselves the following simple question: How effective are such fairs? In 1983, goods worth almost 4 billion rubles were moved from some republics to others with the help of the republic go-between offices, including exhibiting them at such fairs," says Ye. Mosolov, deputy manager of the Union Trade Go-Between Office. "According to our data, about 80 percent of them are sold within the year."

Unquestionably, therefore, such fairs are useful. It is good that the use of seasonal sales enables us significantly to reduce the volume of goods moved from some areas to others. But who has estimated the cost of such monthly surplus goods sales? Is the utilization coefficient of this measure sufficiently high? And even in this case 14 percent of the goods sold at each fair not only reflect imperfections in production and trade planning and management but clearly confirm the existence of an insufficiently planned system for organizing such fairs. Every month inter-oblast, republic and interrepublic sales are organized in different cities and at different times. It would seem logical to assume the existence of a chronological sequence in such sales, i.e., a system according to which oblast fairs redistribute commodities within the oblast, unsold leftovers are offered at republic fairs and all that is left goes to interrepublic fairs.

Actually, the time and place of such projects are entirely arbitrary. It frequently happens that commodities which one rayon was unable to sell to another immediately find their way to an interrepublic sale, only because of uncoordinated dates and incomplete planning.

The success of a sale is greatly predetermined by the preparatory work done by the local go-between offices which run the fair and their concern for available hotel, transportation and eating facilities. Alas, the Yerevan sale was not noteworthy in this respect.

And so, the ordinary wholesale trade fair took place and ordinary deals were made. Let us hope that this has been a major and difficult lesson for workers in industry and trade and for planning and supervisory authorities, a lesson from which conclusions should be drawn.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### STANDARDIZED QUALITY CONTROL OF MANUFACTURED GOODS URGED

Moscow IZVESTIYA in Russian 11 Jun 84 p 1

[Response to letters to editors: "Less but Better Would Be Better"]

[Text] Why is that so many obsolete household appliances have accumulated in the trade network while industry is taking too long to master the production of modern items? This question was asked in various forms in letters from M. Fedoruk in Vinnitsa, S. Sokolovskaya in Moscow and many other readers.

The current state of affairs was discussed at the December (1983) CPSU Central Committee Plenum. The following data were cited: The goods for cultural and household use which trade organizations refused to buy from industry at the latest trade fair included half a million television sets, a million and a half timepieces and 160,000 refrigerators. Why, we wonder, are raw materials of high quality being used in the manufacture of goods that are not in demand when there is a shortage of many other items?

There are many reasons for this. For a long time, supply could not keep up with demand in our country. To fill the trade network with the products the population needed, many enterprises began to plan their manufacture. Furthermore, USSR Gosplan plans the production of only 380 items for cultural and household use, but 40,000 of these items are being manufactured. Another important consideration is that, in addition to 22,000 state standards in the national economy, there are also 32,000 sectorial standards and 140,000 enterprise technical specifications. This alone creates some degree of "freedom," resulting in structural differences in items designed for the same purpose. Each enterprise and its design bureau have based plans on their own particular features and their own production conditions. Besides this, these enterprises are under the jurisdiction of 20 different ministries. For example, whereas timepieces with the conventional hand mechanism are manufactured by plants of the USSR Ministry of Instrument Making, Automation Equipment and Control Systems, digital timepieces generally keep time, so to speak, to a different agency. This is the reason for the many items which either do not meet new consumer requirements or have not been brought up to the necessary quality level.

Matters were also complicated when product manufacturers were frequently let down by supply organizations and related enterprises, forcing manufacturers to

make goods out of available materials instead of the ones they required. Many plants which failed to receive shipments of parts and components began to master their production themselves. The press, including IZVESTIYA, reported incidents like the following: Industry annually produces more than 50 models of refrigerators and freezers, in which almost 240 parts of different types and sizes are used. But no more than 15 or so models are of truly good quality. Other items provide similar examples. For example, 20 models of electric shavers are produced by enterprises of five ministries, but the consumer does not benefit much from this variety.

Furthermore, no matter how much we complain that enterprises have little interest in mastering the production of new items, this is not the absolute truth. The amount of their compensation is connected with original designs. This is why they strive at any price to manufacture goods which differ from others, even if only in the formal sense. And this is another step in the opposite direction from standardization, a step toward higher production costs, ultimately reflected in the price of the item. For this reason, now that several local soviets have initiated the manufacture of scarce items "on top of" the main products of enterprises, this process must be controlled quite carefully. Otherwise, new surplus stocks will begin accumulating in the trade network, and the public will still have problems with repairs, replacements and the acquisition of spare parts.

What is being done to overcome the shortages? First of all, specific ministries and organizations have been put in charge of the manufacture of consumer goods. Secondly, state control over new items scheduled for mass production has become stricter. Items will be mass produced if they are truly better and can meet higher standardization requirements. For example, only 10 of the current 40 models of washing machines will continue to be produced. This will facilitate the use of interchangeable parts and components and, what is equally important, will give manufacturers a chance to make a smooth and quick transition from the production of one model to another with no changes in technology.

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## **CONSUMER GOODS PRODUCTION AND DISTRIBUTION**

### **STEPS TO IMPROVE CONSUMER GOODS PRODUCTION OUTLINED**

Moscow PLANOVYE KHOZYAYSTVO in Russian No 6, Jun 84 pp 53-61

[Article by Ye. Zharenkov, candidate of economic sciences, and A. Levin, candidate of economic sciences: "Some Conditions for the Improvement of the Manufacture and Sale of Consumer Goods"]

[Text] The fuller satisfaction of constantly rising effective demand has always been a matter of primary concern in CPSU socioeconomic policy. Its importance was stressed at the 26th CPSU Congress and subsequent central committee plenums and in the speech presented by General Secretary of the CPSU Central Committee K. U. Chernenko when he addressed voters on 2 March 1984. Steps in this direction have already produced significant results. More consumer goods are being produced. Industry's consumer goods output in 1983 was 4.3 percent greater than in 1982 (as compared to a 3.9-percent increase in the output of means of production). Furthermore, the output of goods for which the demand is still not being satisfied in full displayed the quickest growth. For example, industry's output of processed meats was 10 percent greater in 1983 than in 1982, the output of lard was 13 percent greater, the output of whole-milk products was 5 percent greater, the output of color television sets was 9 percent greater, the furniture output was 6 percent greater, etc. This helped to balance effective demand with the supply of goods. Current measures to improve the administrative system and the economic mechanism will aid in the even fuller satisfaction of public demand.

The improvement of the administrative system in sectors producing and selling consumer goods is particularly important in connection with the new Comprehensive Program for the Development of Consumer Goods Manufacture and Public Services. The economic mechanism in the sphere of consumer goods manufacture and sales does not meet the requirements set for industry and trade with regard to the fuller satisfaction of constantly rising effective demand and does not always emphasize the growth of production and sales in line with consumer requirements and needs pertaining to assortment and quality. This results in a situation in which some goods are in short supply and there is a surplus of other goods for which there is little public demand. The latter generally accumulate in above-norm stocks, which have now reached the maximum level of the past 10-15 years.

Total commodity stocks in channels of the distribution sphere have also grown. At the end of 1982, for example, stocks in trade (wholesale and retail) and

industry were 27 percent greater than at the end of 1980 and were valued at 85 billion rubles. Furthermore, the duration of commercial distribution, measuring the amount of time spent by goods in the distribution sphere, increased by 18 days during this period. This is slowing down sales, and this has an adverse effect on the functioning of trade and of social reproduction in general.

At the same time, the growth of commercial stocks within certain limits is a natural and objective result of the growth of retail commodity turnover. During the period in question, however, the growth rate of commercial stocks exceeded the growth rate of retail commodity turnover. At present, the correlation between these rates is improving.

The improvement of administration in the production and sale of goods should not only eliminate disparities between supply and demand in the case of specific goods and the related unfavorable social and economic implications, but should also establish the necessary conditions for constant and balanced growth in the future.

One of the principal guidelines in this sphere is the greater emphasis on qualitative indicators of work and on the total fulfillment of delivery plans in accordance with contractual obligations. The situation with regard to the fulfillment of delivery plans in accordance with contractual obligations has been particularly unfavorable at enterprises of the RSFSR Ministry of Light Industry, the RSFSR Ministry of the Forestry Industry and the republic Ministry of the Food Industry. The main reason for this is that the existing system of planning and economic incentives has focused enterprise efforts on the fulfillment of volume indicators and has not given them sufficient incentive to coordinate their output with public demand and trade requisitions.

After a system was instituted in the late 1970's for the evaluation of enterprise performance on the basis of product sales with a view to delivery contract fulfillment, it became a common practice to establish the maximum percentage of delivery plan underfulfillment, and this seemed to legitimize the possible underfulfillment of these plans. This practice was justifiably criticized at the December (1983) CPSU Central Committee Plenum.

The establishment of maximum underfulfillment norms reduces the incentive and responsibility of the administrative personnel of industrial enterprises and associations for the fulfillment of delivery plans in accordance with contracts. Until 1982 these workers received their full bonus even if contractual obligations had been underfilled by 3-5 percent. At the beginning of 1982 the permissible percentage of plan underfulfillment was reduced to 1-2 percent, and to 3 percent in a few cases. But even if these essentially high maximum underfulfillment norms failed to be observed, managers of industrial enterprises could still receive their full bonus with the aid of "incentive channels" such as bonuses for the introduction of new equipment, the full use of capacities, etc.

The system of economic incentives for the collective of industrial enterprises as a whole is based on similar principles. According to this system,

industrial enterprises and associations which do not fulfill contractual obligations in deliveries of consumer goods to trade organizations can "compensate" for lost incentive funds by overfulfilling plans in terms of other, less significant indicators. For example, the financial incentive fund at the Sverdlovsk Rubber Goods Plant was reduced by 39,000 rubles for the non-fulfillment of the delivery plan but it was simultaneously augmented by 600,000 rubles for the overfulfillment of the plan in terms of other indicators.\*

We feel that undesirable developments of this type can be avoided and that the economic contract can play a more important role in the compilation of consumer goods production plans and the stimulation of industrial enterprise operations if the practice of setting maximum underfulfillment norms is totally abolished and a system is established for the reduction of the bonuses of administrative personnel responsible for violations of contracts in such a way that these violations will reduce the total bonus stipulated for the fulfillment of other indicators. In other words, the degree of contractual obligation fulfillment should be the main indicator in the payment of bonuses to the managerial personnel of industrial associations and enterprises.

Enterprise economic incentive funds should be based on similar principles. The nonfulfillment of contractual obligations should reduce contributions to the financial incentive fund to such a degree that the enterprise will be unable to "compensate" for the lost contributions by overfulfilling the plan in terms of other indicators.

It would also be expedient to establish a firm connection between lost contributions to enterprise financial incentive funds for the nonfulfillment of consumer goods delivery plans and a system which would cancel the bonuses of the individuals at fault for this nonfulfillment.

In connection with this, an interesting economic experiment has been conducted at production associations and enterprises of the Belorussian Ministry of Light Industry since January 1984 in accordance with the decree of the CPSU Central Committee and USSR Council of Ministers on the granting of broader authority to production associations (or enterprises) in planning and administrative activity and on the augmentation of their responsibility for the results of work. According to the conditions of the experiment, a sales volume indicator is set for the ministry's associations and enterprises to evaluate the fulfillment of delivery obligations on the basis of contracts instead of production growth in general. For each percentage of underfulfillment of the sales plan with a view to delivery commitments, the financial incentive fund is reduced by 3 percent; besides this, the enterprises responsible for this underfulfillment are fined, and these fines are paid out of their profits. If all of the terms of contracts are observed, financial incentive funds are augmented by 15 percent.

This economic incentive system gives enterprises a greater interest in the complete fulfillment of contractual obligations, but in our opinion it should

\* See Ya. Orlov, "Delivery Discipline Is the Main Thing," KOMMERCHESKIY VESTNIK, 1984, No 1, p 10.

depend more on the fulfillment of all terms of economic contracts with the trade network. The system is now geared primarily to the fulfillment of these contracts in terms of volume and assortment. The nonfulfillment of other terms of the delivery contract does not affect the economic incentive funds of industrial enterprises. As a result, delivery dates are generally the most frequently violated contractual obligations. Their nonobservance has an adverse effect on the work of the trade network and complicates the satisfaction of public demand. In connection with this, it would be expedient to make the economic incentive funds of industrial enterprises and associations dependent on delivery dates and other terms of the economic contract.

The augmentation of the role of contractual obligations in the planning of consumer goods production and sales will require stronger mutual responsibility for their observance. Trade enterprises are now responsible for the unsubstantiated refusal of contracted deliveries only within the framework of established penalties. In our opinion, they should take greater responsibility for the untimely and unsubstantiated refusal of requisitioned goods by lowering deductions from profits into economic incentive funds and transferring part of the penalties to the workers at fault for the unsubstantiated refusals.

Therefore, a system of financial incentives for good final results should be combined with financial liability for poor results and the violation of the terms of economic contracts due to the unsatisfactory organization of production and trade processes. In turn, financial liability should be reinforced with administrative measures, which are now not always used with the necessary efficiency and consistency.

An important way of improving national economic management, as speakers noted at the December (1983) CPSU Central Committee Plenum, will entail the reinforcement of economic leverage and incentives. The pricing system has been assigned an important role in this area. In the sphere of consumer goods production and sales it should, on the one hand, give industrial and trade enterprises the necessary economic interest in the production and sale of goods meeting public demand and, on the other, secure the growth of real income and establish conditions for the unimpeded sale of goods to the public.

Measures were planned recently for the stimulation of the production of new goods and items of better quality with the aid of a system of higher wholesale prices. Trade discounts were raised several times. Nevertheless, wholesale prices are not always effective enough in performing their stimulating and restricting functions, and the system of higher wholesale prices for new goods and items of better quality is not always flexible enough, and this tends to impede scientific and technical progress in the consumer goods manufacturing sector. In some cases, the interval between the production of a new model and the pricing of the item is 2-2.5 years, and this means that some new items are obsolete by the time they reach the stage of mass production and cease to be in demand while they are still "on the assembly line."

Besides this, the absence of special state standards for new goods virtually excludes the possibility of objectively determining the degree of newness and differentiating wholesale price surcharges accordingly. The new goods often

include some that are not essentially new, and excessively high surcharges can be set for goods with minimal new features.

In this context, it would probably be expedient to simplify the procedure of the "acceptance" of the new item and the pricing of the item by reducing the number of agencies involved in the process. In particular, the conditions of the experiment in Belorussia, which gave light industry enterprises the authority to set wholesale prices for the first experimental lots of items by an agreement with the client, considerably reduced the time involved in the establishment of new prices, and as a result of this new items can reach the client within the first quarter of the current year. Prices are set even more quickly in line with the terms of an experiment in Riga, where some stores trade in special fashions of the Latviya Sewing Association in accordance with negotiated retail prices stipulated in agreements between representatives of the manufacturing enterprise and the store (instead of the wholesale trade base). Disagreements between trade and industry do not arise over prices, but over the particular items that should be categorized are particularly fashionable and new. In connection with this, we feel that precise state standards should be drawn up for the unequivocal categorization of higher-priced items as new and particularly fashionable goods.

At the same time, with a view to the broad range of new features, it would be expedient to establish several "newness levels" for goods, such as the following:

Goods with changes in their external appearance that improve their aesthetic quality but do not change their consumer properties;

Goods with improved consumer properties. This group would include the many new items with relatively minor improvements;

Goods whose improved consumer properties make considerable changes (for the better) in methods of satisfying demand (in particular, the production of miniature electronic equipment and electrical appliances) by making their use outside the home possible;

Goods that are fundamentally new in domestic production and in the domestic market;

New goods unparalleled on the global level.

The purpose of this system of classification is not the precise determination of the degree of newness, but the differentiation of wholesale price surcharges on the basis of this criterion. The very "depth" of surcharge differentiation should stimulate a considerable rise in the level of newness. For example, the wholesale price surcharges for fundamentally new goods unparalleled in domestic production could be several times as high as the surcharge for goods with changes in their external appearance but no change in consumer properties.

As for goods unparalleled on the global level, the wholesale prices of these should be decided in each individual case by central economic agencies because these goods are extremely rare.

The use of contracted retail prices can be of particular value in the stimulation of the production of new items of better quality for the fuller satisfaction of public demand, particularly in the case of the first experimental lots of goods and particularly fashionable items. They might be stipulated in annual delivery contracts negotiated by production associations or enterprises with trade organizations authorized to conclude agreements, with the approval of the appropriate ministries and departments and the consent of the USSR Ministry of Trade (or union republic ministries of trade).

To stimulate the manufacture of these products, half of the additional receipts representing the difference between the contracted retail price and the cost of manufacturing and selling these goods will be left at the disposal of production associations and enterprises.

In this way, the system of contracted prices for the first experimental lots of goods and particularly fashionable items creates definite economic incentives for the broader production of these goods. It also promotes the fuller satisfaction of public demand for new goods and particularly fashionable items.

Until recently, however, the system was not used widely, and goods delivered to the trade network at contracted prices represented a small portion of the total output of these goods. In our opinion, this was the result of several restricting factors, particularly the limits on the volumes of the first experimental lots of goods for which contracted prices could be set. Now these restrictions have been lifted from the output of particularly fashionable clothing made of wool and silk (with the exception of staple fibers), crystal and china, sets of furniture and wristwatches, and the limits on the first experimental lots of other goods have almost been doubled. This will promote the increased production of high-quality goods and will help in the fuller satisfaction of the constantly rising effective demand for them. It is important that the responsibility for the sale of the first experimental lots of goods and particularly fashionable items be assumed by the industrial associations and trade organizations with contract relationships.

This responsibility is reinforced tangibly by the legal right to reduce the contracted prices of the first experimental lots of goods and particularly fashionable items if the demand for them should decline. Furthermore, the losses due to the price reductions, shared equally by trade enterprises and industrial associations, should be completely included in the results of their economic activity.

In addition to improving the stimulating functions of wholesale prices, we must make more extensive use of their potential restrictive influence on production. In essence, this means that the wholesale prices of consumer goods no longer in demand must be reduced. At present, these goods are sold at lower wholesale prices (or discounts), but the amount of the reduction is generally so small that the manufacturers of the unsaleable products are virtually unaffected by them. This is why industrial enterprises often continue to manufacture items for which there is no demand even after the reduction of their wholesale prices and why they can still earn sufficient profits from

this. In connection with this, it would be expedient to reduce the prices of these products to a level at which the manufacture of these goods would be unprofitable for the manufacturer.

The procedure for determining the precise goods for which there is no demand and reducing their prices also needs improvement. Items in limited demand are now categorized as such at the so-called "base" enterprises of the retail trade network. They are "authorized" to transmit this information to the ministry of trade in their union republic no more often than once a quarter.

Republic ministries of trade submit this information to the republic price committee. The latter makes the decision to lower the wholesale price of the item in limited demand, after which it informs the appropriate ministries and departments of its decision and they convey this information to their subordinate plants and factories manufacturing goods for which there is no public demand. This takes a great deal of time, and during this time industrial enterprises continue to manufacture the product and make a substantial profit.

To simplify the procedure which reveals goods in limited demand, leading retail trade enterprises should be authorized to suggest wholesale price reductions directly to the republic price committees, and the right to propose the reductions should not be limited to any specific time period but should be exercised each time the lack of demand for a product is discovered.

It will then be necessary to broaden the group of retail trade enterprises authorized to propose these reductions, primarily through the inclusion of the largest retail trade enterprises.

The stimulation of consumer goods sales is also important in the fuller satisfaction of effective demand. This will require improvements in the inter-related system for the planning and evaluation of the performance of trade organizations and enterprises. This system now emphasizes quantitative plan indicators (particularly in the case of the commodity turnover plan) and pays much less attention to the qualitative final results of activity--in this case, the degree to which public demand is satisfied, the quality of this satisfaction and the level of trade services. In some cases, the growth of wholesale commodity turnover can have an adverse effect on the functioning of the trade network and even all national production because it could be the result of an unjustifiable increase in the number of links involved in the circulation of commodities.

In connection with this, it would be expedient to base the evaluation of wholesale trade enterprise and organization performance on a system of indicators of the level and quality of processes involved in supplying the retail trade network with goods, such as the provision of the necessary assortment of goods or the regular and timely delivery of goods to the retail trade network. This is particularly important not only in enhancing the satisfaction of demand but also in securing the uninterrupted work of retail trade. Wholesale base personnel often try to "save" goods in high demand for the end of the month (or quarter or year) and to sell goods in limited demand at the beginning. This practice inconveniences the population, intensifies the work of the trade

network at the end of report periods and has a negative effect on the quality of trade services. This is why fuller consideration for these indicators (of regular deliveries to the retail trade network) is an essential condition for the enhancement of the quality and effectiveness of wholesale trade.

As for retail trade organizations, their performance should also be evaluated with more emphasis on qualitative indicators of the final results of trade activity, particularly the degree to which public demand is satisfied, the quality of this satisfaction, the absence of unsatisfied demand for scarce goods, the level of trade organization and the quality of trade services, and the cost-accounting results of trade activity must be taken into account (these should also be taken into account in indicators of the effective functioning of wholesale trade enterprises and organizations).

In line with these requirements, plan indicators measuring the effectiveness and results of the activity of trade in general and of specific enterprises in particular should be, in our opinion, of an integral nature. They should reflect, on the one hand, the impact of trade activity (this could be measured by the group of indicators of purely economic, cost-accounting results of trade organization and enterprise performance, social results connected with the reduction of shopping time, the fuller satisfaction of public demand, service of higher quality, etc.) and, on the other, the cost of this impact. The ratio of the impact to its cost will be a measure of the effective functioning of trade. The specific forms taken by this indicator require further elaboration.

One important way of improving the economic machinery of trade will entail improvements in the existing system of trade and wholesale discounts. The profitable work of the entire sector and its incentive to satisfy public demand depend largely on the accuracy and economic validity of these discounts.

Current trade and wholesale discounts are not differentiated sufficiently for various goods and regions and do not always cover sales expenses. As a result, the sale of some goods is profitable and the sale of others is unprofitable. This not only has a negative effect on the results of the economic performance of trade enterprises but also causes them to have varying incentives to sell profitable and unprofitable goods.

This is why there is now an urgent need for the trade discounts on individual goods to approximate the socially necessary expenditures on their sale. To date, this problem has usually been solved by raising the level of trade discounts. Without rejecting this practice in principle (it is often used to cover additional distribution costs, such as wage increases for trade workers), the main way of improving trade discounts at this time is nevertheless what might be called their "redistribution."

This presupposes lower trade (and wholesale) discounts on goods which are highly profitable to sell at this time, and the institution of commensurate higher discounts on unprofitable goods. This will redistribute the profits present in trade and wholesale discounts in favor of unprofitable goods and give trade a stronger incentive to sell them.

Trade discounts should also be differentiated more dramatically on the territorial level. They should be raised for trade enterprises and organizations in remote regions, perhaps by slightly reducing the discounts of central trade enterprises.

Wholesale discounts should also be differentiated more dramatically for various forms of commodity circulation. Sometimes the discount offered to the wholesale link of trade for the performance of transit operations (with the inclusion of wholesale bases in accounts) is too high in comparison to the actual cost of selling goods circulated in this manner. At the same time, wholesale discounts for operations involving the delivery of goods to wholesale bases do not cover their expenditures.

As a result, wholesale trade has a stronger incentive to engage in transit operations, which mean high profits and minimal expenditures. In many cases, however, goods must be delivered to the wholesale base for sorting, the modification of product assortments and other operations. This is why the more equitable distribution of the financial incentives of trade enterprises for various types of wholesale operations and the strict coordination of wholesale discounts with actual sales expenses will require the redistribution of these discounts in favor of operations connected with the delivery of goods to wholesale bases.

The production of goods for children, the disabled and the elderly and of inexpensive goods is of special importance. A system of economic incentives for enterprise collectives must be developed to stimulate their production. The main indicator should be the degree of plan fulfillment according to their output in natural terms in accordance with trade requisitions. Sales of inexpensive items and the degree to which the public demand for these items is satisfied should also be taken into account in trade performance evaluations.

Industrial and trade enterprises will have a stronger incentive to produce and sell more inexpensive goods if they have special, so-called compensatory funds to cover potential profit losses from the production and sale of these items. These funds could be organized by the appropriate ministries by means of deductions from the additional (or supplementary) profits earned from the production and sale of costly items, including novelties and goods of improved quality.

In addition to this, stronger economic and administrative penalties should be instituted on all levels of production and trade management for the nonfulfillment of assignments for the production of inexpensive goods and penalties for their absence in the sales network.

In our opinion, these measures can strengthen cost-accounting principles in the production and sale of consumer goods and give industrial and trade enterprises a stronger incentive to satisfy public demand to the maximum.

We know that the economic impact of the use of economic incentives for the production and sale of consumer goods in line with public demand is maximized when these incentives are combined with initiative on the part of economic

managers and with their desire for good final national economic results. For this purpose, as General Secretary of the CPSU Central Committee K. U. Chernenko stressed when he addressed voters on 2 March 1984, national interests must be placed above all others. Any sign of regionalism or narrow departmental interests and any attempt to find an easy way of attaining "favorable" indicators can only injure the work now being performed in line with the 26th CPSU Congress objective of the fullest possible satisfaction of the effective demand of all population strata and groups.

Therefore, the improvement of the management of consumer goods production and sales will require the resolution of a number of economic problems connected with the improvement of plans and incentives in the sectors and enterprises in question, as well as the problem of developing the correct line of economic reasoning in managers and all workers so that they will assign priority to national interests—in this case, the interest of the fullest possible satisfaction of public demands and needs.

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## **CONSUMER GOODS PRODUCTION AND DISTRIBUTION**

### **SOLUTIONS TO EYEGLASS SHORTAGE CONSIDERED**

**Moscow PLANOVYE KHOZYAYSTVO in Russian No 6, Jun 84 pp 108-111**

**[Article by N. Malov, USSR Gosplan department chief, and B. Panchenko, USSR Gosplan subdepartment deputy chief: "Improving the Public Supply of Eyeglasses"]**

**[Text]** The need to coordinate economic policy closely with social policy and to take such factors as the enhancement of public well-being and the satisfaction of the public demand for consumer goods and services fully into account in plans was stressed repeatedly in the materials of the 26th CPSU Congress and the decisions of subsequent CPSU Central Committee plenums. The provision of our country's population with medicine and medical equipment (including eyeglasses), the improvement of their quality and the augmentation of their output have an important role to play in the attainment of these objectives.

The unsatisfactory supply of eyeglasses has aroused justifiable complaints. Several ministries, including the Ministry of the Medical Industry, the Ministry of the Chemical Industry, the USSR Ministry of the Construction of Heavy Industry Enterprises and the USSR Ministry of Health, have not taken the necessary measures to fully satisfy the public demand for glasses. The press has repeatedly reported that eyeglass frames do not meet present requirements, that orders for glasses take too long to fill and that the quality of work is poor. To correct the situation, several measures were planned for the intensification of the construction, enlargement and remodeling of eyeglass plants. For example, plans called for the completion of capacities for the production of 14 million frames at the Yelets Medical Equipment Plant in 1984, the construction of the second section of the Rybinsk Eyeglass Plant for the production of 11 million lenses a year in 1984-1985 and the construction of the third section of the Izyum Optical Equipment Plant for 6 million frames in 1985-1986. Plans call for the remodeling and enlargement of the Suksun Optical Equipment Plant in 1985 and 1986 and the operation of an additional facility for the production of 8 million pairs of corrective and protective glasses a year. To satisfy the needs of eyeglass enterprises for skilled workers, the State Committee of the USSR for Vocational and Technical Education must train the necessary quantity of specialists in vocational and technical institutes.

The acceleration of scientific and technical progress is the key to the transfer of the eyeglass subbranch into highly efficient channels. Industrial ministries have been assigned the task of developing and producing technological equipment, machinery, materials and crude resources and delivering them to

the Ministry of the Medical Industry for the retooling of existing eyeglass enterprises, the incorporation of new capacities, the expansion of the assortment of lenses and frames and the improvement of their quality. The Ministry of the Chemical Industry has been requested to considerably increase deliveries of sheet etrol in 1984 and to completely satisfy the medical industry's demand for this material in 1985. The Ministry of the Machine Tool and Tool Building Industry has been ordered to develop machine tools for the manufacture and assembly of glasses and to deliver them to the USSR Ministry of Health in 1984 and 1985.

Union republic councils of ministers and the USSR Ministry of Health will have to see to the creation of new optical production units and the organization of specialized optical equipment stores and optical departments in pharmacies and take measures to fill public orders for the manufacture and repair of glasses more quickly. Before the end of the five-year plan, 445 additional optical equipment stores and optical departments for the assembly, repair and sale of glasses to the public will be established in the country; 200 of the 445 will be opened in the RSFSR, 105 in the Ukraine, 36 in Kazakhstan, 30 in the Uzbek SSR and the rest in other republics. Motor vehicles for the production of mobile optical and ophthalmological offices will be put at the disposal of union republic councils of ministers each year. For example, the RSFSR Council of Ministers was allocated 60 such vehicles in 1984, and these will be used primarily for medical treatment for the rural population.

A stepped-up eyeglass production assignment was set for the Ministry of the Medical Industry for 1984-1985. In 1984, for example, the ministry will produce 77 million lenses and 25 million frames, and in 1985 the output of frames will be 1.5 times as great as in 1982 and that of lenses will be 1.3 times as great, reaching the respective figures of 82 million and 28 million. At the same time, the Ministry of the Medical Industry should raise the technical level of frame and lens production, expand the assortment and improve their quality.

In our opinion, the planning and management of lens and frame production and the system for the provision of the public with these items require improvement. Eyeglass plants frequently act to the detriment of the public by continuing to manufacture less labor-intensive (and "convenient") products for the sole purpose of fulfilling the plan in terms of the natural indicator (quantity) and showing no concern for the quality and variety of lenses. As a result, customers do not receive the lenses they need. This conflict could be eliminated, for example, by the fulfillment of the plan in conventional lenses, but if this indicator is the deciding one for eyeglass plants, they will want to make more labor-intensive lenses (high diopter). Relative coefficients based on labor-intensiveness should be used to rate various lenses. Plant output should be planned in terms of conventional lenses, but the extension of the relative coefficient to above-plan lenses will give plants an incentive to overfulfill plan assignments by means of an increase in these relative coefficients. Obviously, the relative coefficients should be calculated on the basis of the labor-intensiveness of each specific type of lens, with a view to the quality of its manufacture. This also applies to frames and possibly to other types of medical equipment.

Obviously, the calculation of the main indicators of economic activity at eyeglass plants (sales volume, labor productivity, overhead costs, profits, etc.) should be based on conventional lenses. In this case, the producers' interests will not conflict with the objectives of plant economic offices. In our opinion, a cost indicator--the normative net product--should be used in planning eyeglass production volumes. In this case, the normative net product will provide a more objective reflection than other cost indicators of the impact of labor expenditures, will eliminate the influence of material expenditures on production volume and will establish the necessary conditions for the more precise planning of labor productivity and total wages at each enterprise.

The problem of supplying the population with eyeglasses should be solved by enlarging capacities through the construction of new plants and by intensifying production. The indissoluble connection between the improvement of planning, administration and economic incentives and the objectives of the intensification of frame and lens production should be the main consideration in the improvement of the public eyeglass supply. It is not simply a matter of supplying the population with glasses, but of achieving this with optimal expenditures--material, financial and labor. In our opinion, this will be made possible primarily by the resolution of organizational and legal problems. The creation of a centralized system to manage the production of glasses and the provision of the public with them is one of the most important conditions for the transfer of this subbranch to the track of intensive development.

Centralization, specialization and cooperation in lens and frame production, the assembly of glasses and their sale to the public constitute a serious problem which has obviously not been given sufficient attention. It is evident that all of these matters must be examined together, although the production of lenses and frames is the responsibility of the Ministry of the Medical Industry while the manufacture (or assembly) of glasses and their sale to the public are the job of organizations of the USSR Ministry of Health.

Another matter which should be given immediate consideration is the establishment of self-contained stores with a demand analysis center, a commercial sales office, an advertising office, a service and repair office and other departments. Stores of this type, provided with the latest equipment, would aid in the training of highly skilled workers and specialists and in the introduction of progressive methods and forms of labor organization. But this is also being delayed by the Ministry of the Medical Industry and the USSR Ministry of Health.

Other problems also exist. For example, specialists have suggested that the public eyeglass supply could be improved by the creation of a specialized industrial association or industrial-trade association for eyeglasses. In view of the fact that lenses and frames are being produced by the All-Union Soyuzmedinstrument Industrial Association of the Ministry of the Medical Industry, which also produces a large assortment of products for medical establishments--surgical instruments, stomatological and sterilizing equipment, small-scale mechanization equipment for hospitals, etc.--there is no question that this suggestion is pertinent and warrants support.

In the public health system, the assembly of glasses and their sale to the public are the job of medical equipment organizations under the jurisdiction of the USSR Ministry of Health's All-Union Soyuzmedtekhnika Association and the organizations of the pharmaceutical network under the jurisdiction of the same ministry's Main Drug Administration. Double (or triple) jurisdiction interferes with the efficient work of this service and creates additional difficulties. It is no coincidence that the majority of republics have made the positive decision to turn services engaged in the assembly of glasses and their sale to the public over to the Soyuzmedtekhnika system from the pharmaceutical network. But the RSFSR Ministry of Health has still not made a final decision on the matter, although this would simplify management (one manager), improve the situation with regard to technical equipment and raise the level of personnel skills.

It seems to us that the primary consideration now should be the creation of an all-union Soyuzmedoptika production association with self-contained optical equipment stores within the Ministry of the Medical Industry. The USSR Ministry of Health should complete the transfer of services connected with the public eyeglass supply from the pharmaceutical system to the medical equipment system and thereby turn it into an independent organization.

The improvement of economic methods of management, the display of independence, initiative and responsibility for the precise specialization of production and scientifically sound designs will be important conditions for the effective functioning of this entity.

Special attention should be given to the exchange of progressive experience in planning, management, socialist competition and collective forms of labor organization. The Lvov comprehensive quality control system and the experience in collective forms of labor organization and other methods and forms of creative work must be introduced on a broader scale at enterprises producing lenses and frames. A survey of the Rybinsk Eyeglass Plant and Yelets Medical Equipment Plant indicated that only around 50 percent of the workers are covered by the brigade form of labor organization and incentives. Furthermore, many of the brigades are small and are marked by a low level of interchangeability. There are almost no round-the-clock brigades, and there have been problems in the introduction of the payment of wages according to the final results of work and distribution with a view to the coefficient of labor participation. Brigade councils still do not have enough influence on labor discipline and production efficiency.

To give eyeglass enterprises a stronger incentive to increase the output of lenses and frames and improve their quality, the State Committee of the USSR for Labor and Social Problems and the Ministry of the Medical Industry must work with the Central Committee of the Medical Workers' Union on measures to institute additional bonuses for the managers, engineering and technical personnel and employees of enterprises for the fulfillment and overfulfillment of lens and frame production plans (in natural terms) with the observance of quality indicators, regardless of whether other plan indicators are fulfilled. These measures could reduce personnel turnover, particularly in the case of engineering and technical personnel. The rate of turnover is still high. A

study of the organization of labor in lens and frame production units indicated, for example, that the rate of turnover for engineering and technical personnel at some eyeglass plants was 40 percent in 1982.

The determination of the need for eyeglasses and the compilation of forecasts constitute an important matter requiring immediate attention. An analysis of the republic system for the provision of the population with glasses revealed serious shortcomings. In the Ukrainian and Latvian union republics, for example, public eyeglass needs are determined without consideration for real public demand. The main indicator used in the compilation of frame and lens orders is the eyeglass sales volume. Orders are sometimes reduced by the number of existing frames and lenses. Obviously, this method of calculating public needs does not reflect the actual state of affairs and misleads industry. For example, an analysis of the quality of the eyeglass supply reveals a surplus of around 60,000 frames and 72,000 lenses in Zhitomir Oblast and a shortage of them in a neighboring oblast.

Here is another example. Medical industry plans call for an increase in the output of bifocal lenses, but orders for them decrease with each year. For example, the Ukrainian SSR Ministry of Health ordered 253,000 for 1984 and the Latvian SSR Ministry of Health ordered 11,500. In 1982 the respective quantities ordered by these republics were 342,000 and 47,000. At the same time, the number of public complaints about the absence of bifocal lenses rose by 50 percent during this period. The reason is that there are no set procedures to determine the need for eyeglasses, precluding the calculation of real need and, consequently, scientific forecasting.

The methods of economic-mathematical modeling should be used more widely in the determination of actual demand and lens and frame production volumes. Computers can be used for the more precise calculation of the public demand for lenses, frames and glasses, the optimal equipment load, the necessary quantity of skilled personnel, the size of auxiliary services and economic units, the number of stores for the assembly, repair and sale of glasses, the employment of foremen in eyeglass assembly, the amount of time required to fill orders and the duration of other processes. An optimal plan for lens production was drawn up for the first time in the medical industry with the aid of the methods of mass service in subbranch and intraplant planning. The resulting savings was around 2 million rubles for just 1 year, and the recoupment of production expenditures took only around a month. Furthermore, consumer interests and production potential were given maximum consideration, the output of lenses increased and their assortment improved.

The planned improvement of the organizational structure of the management of lens and frame production, the manufacture of glasses and their sale to the population will require a comprehensive approach. It will necessitate an active search for forms of management and planning meeting the requirements of the present level of economic and technical development in this sector.

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## **CONSUMER SECTOR POLICY AND ECONOMICS**

### **USSR LIGHT INDUSTRY MINISTER ANSWERS CONSUMERS ON SHORTAGES**

Moscow IZVESTIYA in Russian 10 Jun 84 p 2

[Written interview with USSR minister of light industry N.N. Tarasov by V. Sukhachevskiy: "Let the Consumer Make the Evaluation"]

[Text] Many letters to the editor are connected one way or another with the work of light industry. While noting the positive changes that are occurring in the sector, readers also pose many acute questions. The editorial office asked USSR minister of light industry Nikolay Nikiforovich Tarasov to respond to these questions. Before starting the "reader-minister" dialogue, on behalf of millions of Soviet people we congratulate workers in the sector on the occasion of their professional holiday. And we express the conviction that the holiday will in no way lose its luster from the businesslike conversation on a subject of truly nationwide interest. We therefore recall the words of Vladimir Ilich Lenin that the best way of marking an anniversary is to focus attention on unresolved questions.

[Question] "In an article entitled 'Shortages' published several years ago in IZVESTIYA minister N.N. Tarasov wrote about the problems associated with trade shortages of articles made from natural fibers. Since then the newspaper has repeatedly returned to this theme. The position has undoubtedly improved. However, the shortages are still with us. And sometimes propaganda is made out of the sale of particular articles. Here is a simple example. Uzbekistan is one of the republics where there are many children. And it is the most 'cotton' of the republics. And our Bukinskiy rayon is the republic's largest producer of cotton. At the same time, cotton articles, especially summer clothing for children, are in short supply. How is the ministry solving this problem? (signed) N. Yuldasheva, pediatrician. The Bukinskiy Rayon Hospital."

[Answer] The development plan for light industry during the 11th Five-Year Plan makes provision for preferential growth rates in the production of articles made from natural fibers, first and foremost essential goods and consumer goods, including articles for children.

For most kinds of these articles targets are being met. Thus, in 1983, with a 0.5-percent increase in the total volume of production in the sector, the output of cotton fabric increased 2 percent, linen 9 percent, nonfabric fabriclike materials 8 percent, knitted underclothing made from cotton and mixes 5.5 percent, terry cloth bath towels 4.8 percent, cotton underclothing for young children of creche age 6.8 percent, and bed linen 9.3 percent. Output growth for goods for children was especially rapid. Last year the production of outer knitted wear increased 10.4 percent and the production of well-formed clothing by a factor of 2.3.

These quite high production growth rates are also being maintained this year and in future years. I think that the matter you raise, comrade Yuldasheva, will soon no longer be acute.

Specialization is being effected at enterprises, shops and sections for the production of a new range of articles for specific population groups: children's clothing and footwear, articles for young people and for older people, large sizes and so forth. These enterprises, shops and sections are being supported by specialty stores. Small-series sections are being set up to produce small batches of goods.

Today in the industry, each year more than half of the output produced is being renewed.

[Question] "In recent years our stores have become noticeably richer. The initial impression is that everything is there and you can choose what you will. But this is the problem: many articles are poorly made, with dismal fitting and colors. In short, the problem of quantity, in my opinion, can be regarded as solved and now it is time to do something about quality. How is the ministry solving this problem? (signed) I. Yelisin, fitter at the Engels Trolleybus Plant."

[Answer] As is known, improving consumer qualities is equivalent to increasing output. Much has been done in this regard. By the end of the present five-year plan it is intended to bring the proportion of articles with the Sign of Quality up to 32-34 percent of the total volume of certified output. At almost all enterprises a comprehensive system of quality control has been introduced and comprehensive standardization of the most important groups of goods is being carried out.

The problem, however, remains quite acute. We are partly to blame for this, and there are objective complications. In particular, many kinds of raw materials--cotton, leather, chemical fibers, dyes and a number of others--do not always meet the proper requirements.

Consumer purchasing power has grown significantly in recent times and fashion and the interplay of market forces change more rapidly. All this requires flexibility in industry operations and accuracy in placing trade orders. However, it has not been possible everywhere to organize these matters smoothly. As a result the volume and range of output achieved by some enterprises sometimes fail to meet consumer requirements. This has led to larger inventories of goods both in industry and in trade.

[Question] "The output from many light industry enterprises enjoys deserved popularity among consumers. For example, the Moscow "Zarya" and Yerevan "Masis" footwear products never stay for long on the shelves of the stores. What is the ministry doing to disseminate leading experience? (signed) O. Yakubovskiy, assembler brigade leader at the Voronezhsel'mash Plant"

[Answer] This work is done according to a definite system. Each year a sector plan for studying and introducing leading experience is drawn up on the basis of an analysis of the information. For example, in 1984 this plan provides for the holding of 27 all-union schools and 12 seminars. Permanent schools of leading experience are organized on the basis of the enterprises that have achieved noteworthy results in improving output quality and range. This year they have been organized at the Zarya Footwear Association, the Yerevan Masis Footwear Association, the Dmitrov Yunost' Sewn Goods Association, the Leningrad Vereteno Spinning Factory, and the Orekhov Cotton Combine imeni K.I. Nikolayeva.

A thematic exhibition--"Work Experience in the Leading Enterprises of the Sector--the Initiators of the Development of Socialist Competition To Increase the Output of High-Quality Consumer Goods, as Approved by the CPSU Central Committee"--organized at the All-Union Exhibition of National Economic Achievements, opened recently on the base of the all-union training and methodological center for the study and propaganda of work experience by leading brigades and workers in light industry. The working experience of five of the best enterprises in light industry will be shown at the exhibition, and schools and seminars will be held.

There is also another side to the matter. Here we have, say, ladies' winter boots. The industry provides them in sufficient quantity to meet trade orders for these items. No complaints have been heard about their quality. At the same time it is known that many women buyers prefer imported boots. In my opinion, the force of inertia operates here. The boots from many of our enterprises are in no way inferior to imported boots, and the Moscow "Zarya" and Yerevan "Masis" and Lvov "Progressa" boots, for example, are better. It is not happenstance that these boots enjoy demand abroad. And the products that we offer our ladies of fashion are in no way inferior to those exported.

In order to further improve the quality of ladies' boots, this year and next it is intended to increase the production of boots made from box calf and improved synthetic leathers with artificial fur, and of short boots with low heels made with polyurethane and thermoelastoplastic outsoles.

[Question] "In the CPSU Central Committee and USSR Council of Ministers decree on accelerating the rates of scientific and technical progress, provision is made for the retooling and chemicalization of light industry. How is this work progressing? (signed) A. Volkovich, chief designer at the Kiev Section of the Institute of Cybernetics imeni V.M. Glushkov Scientific Research and Information Center for Control Systems."

[Answer] In accordance with the decree mentioned the ministry together with a number of involved sectors has drawn up a broad plan for production retooling. It is being implemented in accordance with 40 goal-oriented comprehensive

programs envisaging the development and introduction of new equipment and progressive technology, updating of equipment, the automation of production processes and reductions in heavy and manual labor.

Much has already been done to implement these programs. For example, over the first 3 years of the five-year plan the proportion of draw looms in the total inventory of looms rose from 38 percent to 56 percent, while the proportion of pneumatic-mechanical spinning machines rose from 10 to 20 percent. The proportion of chemical fibers in all processed raw materials rose from 24 to 28 percent.

However, subcontractors, namely machine builders and chemical industry workers, are seriously disappointing the sector by disrupting schedules for deliveries of new equipment and chemical fibers for light industry. Moreover, the quality of many machines and the selection of chemical fibers are still failing to meet present-day requirements.

[Question] "What kind of new articles from light industry will we be seeing in the near future on the store shelves? (signed) B. Nestorov, fitter-mechanic at the Leningrad Institute of Water Transport."

[Answer] A broad program of measures to rapidly renew the inventory and restructure enterprise operations on a mobile basis is being implemented. Enterprises have been given the right to produce goods in accordance with agreed prices on the basis of contracts concluded with the trade organizations; republic ministries have been permitted to evaluate new commodities themselves using temporary prices.

New commodities are appearing constantly. I have already said that the sector is renewing half its output range. In the near future the production of another series of new items is to start. Let me name some of them. They include cotton pile and suit fabric with polyester fibers, and terry cloth and light linen suit and overcoat and blouse and shirt fabrics. Overcoats, raincoats and short coats with warm linings made from artificial fur, ladies' unlined warm-weather coats, unlined suits for young people made from fabric mixes, suits, trousers, sets, velveteen sarafans, short coats, jacket-and-trouser suits, and lined and unlined coveralls made from synthetics will be on sale.

Overcoats, blouses, suits and jumpers made from light knitted linen will also be produced, together with sarafans, coats, suits, jackets, short jackets and skirts made from velveteenlike knitted fabrics and a type of velvet, sets for toddlers, including fitted woven sets, sleeveless sports shirts and sweaters using basically new designs with trimmings, embroidery and printed designs and drawings, ladies' summer open-toed shoes, including designer shoes made from hard polyurethane, men's, ladies' and children's footwear with extra-thick leather uppers and stretch leather with imitation gold and silver fittings, "ballerina"-type shoes for teens, ladies' and men's designer low shoes and so forth.

We would need several more pages if I were to list all the new items that will soon be appearing in the stores.

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**On this optimistic note we conclude this IZVESTIYA dialogue between the minister and readers, thanking both sides for a useful conversation.**

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## **CONSUMER SECTOR POLICY AND ECONOMICS**

### **GOSPLAN DEPUTY ON REVISED CONSUMER SERVICES PROGRAM**

Moscow PRAVDA in Russian 14 Jul 84 p 3

[Interview with USSR Gosplan deputy chairman S.A. Sitaryan by Ye. Man'ko: "The Services Sphere: Prospects and Problems"; date and place not specified]

[Text] It is difficult to imagine life in any city or village without the services sphere. The multi-million-strong army of services sphere workers are increasingly assuming the day-to-day concerns of Soviet people and making our daily life easier. At the same time, there are many unresolved problems in the sector.

As was noted at the CPSU Central Committee April (1984) Plenum, in this connection the local party organizations and soviets of working people's deputies face crucial tasks. Having noted the tasks of ministers and administration chiefs, comrade K.U. Chernenko said that one of the main tasks is "constant concern for and attention to the needs and requirements of the workers. We shall judge any given manager's success in work not only according to the complete and timely fulfillment of plan indicators and contractual obligations, but also according to the actual efforts aimed at improving people's working and leisure conditions."

At this time, in accordance with a decision of the CPSU Central Committee Politburo, a comprehensive program is being drawn up for the development of consumer goods production and the system of consumer services. Many letters arrive at the editorial offices and their authors are interested in the aims and scales of the section of the program covering the development of the services system. PRAVDA correspondent Ye. Man'ko asked USSR Gosplan deputy chairman S.A. Sitaryan to answer readers' questions.

[Answer] This kind of great interest on the part of the workers in improvements in the services sphere is quite understandable. For with the growth in incomes and well-being, consumer demand for services is increasing, and consumer exactingness toward the range and quality of these services is growing.

This is a progressive trend and it is natural that it is being reinforced and making itself felt. This is why in our economic plans, along with measures to increase the output of a broad range of goods, increasing attention is being given to improvements in services. Every citizen knows from his own experience that in recent years the volume of everyday, transportation and housing and municipal services available to the public has grown significantly, and that the range of activities by cultural, leisure and tourist facilities has increased. Notwithstanding, demand for many kinds of services, especially new services that have only recently been introduced, is far from fully satisfied.

The development and improvement of the system of services is being advanced as a most important social task. A practical need has arisen to draw up a long-term program for the development of the services system through the 12th Five-Year Plan and to the year 2000 in order to find radical solutions for this task. This is the first time that this kind of task has been set for country's planning and economic service. It is proof of the new, comprehensive and large-scale approach by the party and government to solving the complex and varied problems connected with a further upsurge in the public's living standard and strengthening the social orientation of plans for our economic development. The program is designed to make correct determinations of the main ways and directions in the advance of the services sphere as a whole and in each of its sectors, and to insure their coordinated growth. The ultimate goal is to raise this sector of the national economy to a qualitatively new level and insure its preferential growth compared with increases in consumer income and the production of consumer goods. At the same time, economically negative phenomena persisting in this sphere must be overcome and incentive must be provided for the broad introduction of new kinds of services and progressive forms of service that enjoy great demand. -

[Question] How has work on the program been initiated?

[Answer] First of all it was necessary to determine precisely whether or not the very object of the program could be expressed, that is, a list drawn up for the services that should be covered. The need for this was dictated by a number of causes. The services sphere covers an extremely large number of sectors and it is organizationally splintered, and the planning and information base for evaluating the kinds and volumes of services offered to the public by individual sectors is weak. As is known, some services are provided free of charge, others are offered on favorable conditions, and yet others (for example, communications and transportation) are offered in the same way both to the public and to establishments...

In the final analysis an integrated system of paid services was put into the program. It includes the main varieties of services: everyday consumer services, transportation, communications services, housing and municipal services, children's establishments, services offered by cultural and sports establishments, certain therapeutic establishments, legal advice services and notaries' offices, the Main Administration of State Insurance and the savings banks, and public catering services. A list confirmed by the USSR Gosplan and the USSR Central Statistical Administration has formed the basis of all work to formulate the system of services at both the all-union and union republic levels.

[Question] Is the stress being laid on the development of new kinds of services? For example, services such as improved decorations in apartments by means of partial use of new tenants' funds? PRAVDA recently reported on the experience of the Leningrad housing construction workers. Numerous readers' comments voicing approval for this innovation have been received.

[Answer] Yes, this kind of experience has been gained in Moscow, Leningrad, Saratov and a number of other cities. It is an extremely promising direction in consumer services. People who receive state apartments free of charge willingly contribute their own money to improve the decoration. What must be done is to provide the construction organizations with the necessary materials, carry out this work on a planned basis, and provide interest for construction workers in carrying out the work in a good-quality manner. There are many similar kinds of innovations that should be put on the "agenda." Significant opportunities are to be found in expansion of the products list for services offered to consumer by the leasing services, in work connected with working citizens' private subsidiary plots, and in the development of entertainment complexes at mass vacation resorts.

The accelerated development of the services industry and improvements in the quality of services require resources, and, of course, considerable resources at that. Of course, they will be found within certain limits and provided for in the program. The main emphasis here is being laid on the search for more efficient and economic ways of developing any given kind of service. The same, naturally, should be done in life, in practice. There are indisputably great opportunities here in the sector. It requires only initiative and persistence in achieving the ends and reliance on the creative energy of the labor collectives.

First of all it is very important to make skillful use of the production capacities already available. They are great in many kinds of services but they are not everywhere being utilized productively. Analysis shows that in a number of cities the load on, for example, production capacities in dry-cleaning facilities is insufficient, and that the coefficient of utilization for the city transit system is low. For many years the use of opportunities in tourist organizations and cultural establishments has been extremely uneven.

One way of making effective use of available potential is to increase mobility in the services sphere. What do we have in mind? For example, given relatively meager extra material and labor costs it is possible to substantially build up the volume of services offered by transportation services by creating mobile repair stations that can provide services for drivers on main highways, in parking lots, and at places of residence. Opportunities for the more rational utilization of capacities in personal services are opened up by creating a ramified network of comprehensive reception points both in the countryside and in the cities and settlements. One major reserve is overcoming the narrow departmental dissociation in the use of capacities at enterprises and organizations engaged in consumer services. What we have in mind are the hostelry business and sports and health resorts. The same applies to leisure facilities, children's establishments and clubs. The development of the sector should not be slowed, and the increases in the volume of services should not be limited.

Another fundamentally important direction in extending the material opportunities of the services sphere should be, as intended by the program that has been drawn up, the broad involvement of the so-called nonservice ministries and administrations.

[Question] Could you give us an example of this?

[Answer] This is how things stand. The production capacities available to the construction, municipal, transportation and certain other enterprises in the services sphere will in the coming years be unable to fully satisfy consumer demand for services such as, for example, housing maintenance and construction, garden sheds, and servicing facilities for automobiles, particularly in small cities and in rural localities. Not only major expenditures but also time are required in order to build up capacities. This is why the involvement of construction, industrial, transportation and other organizations in providing consumer services is extremely economical and rational. Thus, any large construction subdivision has at its disposal opportunities for offering certain kinds of services without harming its main plans, by allocating one or several brigades that will complete consumer orders on a contractual basis.

[Question] But surely, the question of material support will arise?

[Answer] The program that has been drawn up provides for this also. This kind of construction work will be included in the plan and provided with the necessary resources.

The industrial enterprises can do much to provide various kinds of maintenance and construction services (first and foremost for their own workers). In rural localities, where car servicing facilities have not been set up, the organizations of Selkhoztekhnika could offer maintenance services for private individuals. I note here that many enterprises and organizations and kolkhozes and sovkhozes are offering low-cost services. Plants are constructing premises close to their own access roads for use as reception points for personal services and semifinished goods stores, and they are investing in the modernization of shop dining halls. Things have been well set up in Moscow, Leningrad, Dnepropetrovsk and a number of cities in the Donbass and Bashkiriya. The program that has been drawn up will impart scale and plan.

[Question] What is envisaged for providing the services sphere with manpower?

[Answer] This question is not a simple one because implementation of the program will begin and will be carried out under conditions of only a small increase in manpower. Meanwhile, the demand for manpower in the sector will be growing. How can this problem be resolved?

Of course, as before, the main focus will be on the mechanization of labor and persistent introduction of the latest achievements of science and technology. At the same time, there are better opportunities than in any other sector of the national economy for using flexible forms for recruiting the public to labor activities. What I have in mind is the active use of forms such as part-time day work, a short working week, flexitime, contract work for cross-utilization of labor and working from the home.

Considerable opportunities for improving efficiency in the use of manpower and increasing the volume of services and improving their quality can be found in perfecting the economic mechanism in enterprises and organizations. It is a matter of making the indicators used for evaluating their activity and the methods and forms of funding and pricing and wages provide every possible incentive for increasing interest and economic responsibility for good quality and timely completion of orders. One important step in solving these tasks is the experiment to improve the economic mechanism in the sphere of personal services. This started on 1 July in a number of oblasts and autonomous republics of the RSFSR and it will help in finding effective levers for efficient and good quality work by the entire services sphere.

I would like to underscore the great responsibility for developing the services system that rests with the soviets of working people's deputies. In contrast to goods, one feature of services in particular is the fact that as a rule consumption is inseparably linked with the very act of providing a service. Services cannot be transported or marketed, like a commodity, to any other consumer. And therefore, it is precisely at the local level, in every oblast, rayon, city and village, that all opportunities should be mobilized to develop a system of services. Satisfying consumer demand for services depends in large part on the activity of the local soviets and economic organs and their initiative, sense of enterprise and interest.

Work on the program has now entered the crucial concluding stage. Proper compilation and successful implementation will make it possible to solve an important social task in the development of our society.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### MOLDAVIAN PARTY SECRETARY ON LIGHT INDUSTRY PROGRESS

Moscow KOMMERCHESKIY VESTNIK in Russian No 12, Jun 84 pp 2-4.

[Article by B. Savochko, Moldavian Communist Party Central Committee secretary, ghosted by A. Motyashov: "A Paramount Party Matter"]

[Text] Much is being done to satisfy consumer demand in the Moldavian SSR. The republic is now fully provided with the basic kinds of commodities, namely sewn goods, cottons and silks, footwear, knitted articles, furniture, washing machines and foodstuffs. With each passing year trade turnover increases in state and cooperative trade. The party organization exercises leadership and control over the development of commodity production and trade. At the request of KOMMERCHESKIY VESTNIK, Moldavian Communist Party Central Committee secretary Boris Nikolayevich Savochko discusses how this work is being done.

Today it can be firmly stated that a definite system has been established within the republic for work to expand the production of consumer goods and improve their quality. Improving production efficiency, insuring the assimilation of capital investments allocated for the expansion of capacities and the creation of new capacities, and making more complete use of existing production facilities have been and remain paramount in this. In their practical work the party committees focus their main attention on resolving key questions--drawing up and adopting plan targets for the production of goods in the sectors specializing in their output, making better use of the production base for group "A" enterprises, using production waste and local raw materials in production, introducing progressive forms of labor organization and incentive, and improving product quality. More than 370 enterprises and associations in the most varied sectors of industry in the republic are now involved in the production of these goods. Their activity is under the constant control of a special republic commission headed by a deputy chairman of the Moldavian SSR Council of Ministers. It includes officials from the apparatus of the Moldavian Communist Party Central Committee and the Moldavian Council of Ministers, the Gosplan, the People's Control Committee, and other republic departments. Similar commissions have been set up under the city and rayon ispolkoms. Last year, following an in-depth study of the work of each enterprise, they found opportunities for extra production and deliveries of goods worth R172.3 million. A broad program is also being implemented today.

Thus, for example, whereas in 1980 the Tiraspol Cotton Production Association produced 46 million square meters of fabric, in accordance with the 1984 program the textile workers will produce almost 100 million square meters. But this is the plan. The collective, however, decided to produce 110 million square meters during the fourth year of the 11th Five-Year Plan, and today the sewing industry workers and consumers eagerly await this. On what are such high pledges based? Those visiting the enterprise are surprised not only by the scales (imagine a shop in which 2,236 modern machines are located under the one roof), but also by the precise, and I would say faultless organization of labor. And this is primarily the brigade form of work, with wages according to a coefficient of labor participation. This makes it possible to produce more output with fewer workers. And hence there are no personnel problems. Indeed, people ask to work at the association. Earnings stability and the excellent working and leisure conditions that have been created in this 10,000-strong collective, also entice people. It is one of those enterprises where the industrial construction was done comprehensively along with the construction of housing, hostels, children's preschool establishments and other nonproduction projects.

The party organization at the Bendery Silk Combine has also done much organizational and educational work on meeting the 11th Five-Year Plan targets. Questions of production retooling, raising labor productivity, and improving working and leisure conditions for people are under its constant control. And it is not happenstance that almost 65 percent of the workers are servicing production zones that exceed the sector norms. In the first 3 years of the five-year plan, more than 1.5 million meters of silk fabrics were produced above target, and the labor productivity growth rate set was topped by 4.4 percent. As is known, however, sewing industry workers and the market need not only volume but also fabrics that enjoy the greatest demand. Mindful of the lessons of last year's wholesale market, the collective has considerably changed its output of fabrics made from acetate fibers. They are being produced as mixes with cotton and rayon, and both the composition and the structure have been changed. In total, 77-78 percent of the product range has been changed at the Bendery Silk Combine.

Light industry in the republic is always looking for ways of increasing output made from natural raw materials. During the first 3 years of the 11th Five-Year Plan the production of cotton fabrics almost doubled, or increase of 45 million square meters, while the production of knitted underwear made from cotton yarn was increased by 3.8 million pieces, with a total growth of 1.7 million pieces within the range. Other problems connected with market saturation with consumer goods and necessities are also being resolved.

Increases in the output of articles take place simultaneously with work to improve their quality and range. We are all aware of the substantial changes that have occurred in consumer demand. Today, for a person going into a store it is important that an article be made from good raw materials, finished with quality, that it meet the requirements of fashion and individual taste, and that there be variety and a greater range of apparel. Supporting the initiatives of the country's leading enterprises to increase the output of high-quality goods, as approved by the CPSU Central Committee, the labor collectives of

Moldavia have set targets that exceed the plan indicators. On this plane, the working experience of the Styaua Roshiye Knitwear Association is of interest.

Each year the knitwear workers introduce about 160 models of apparel and 20 new kinds of toweling. And operations are organized in such a way that the most varied selection—not one or two models, as if from a conveyer belt, but 10 or 15—are delivered to the republic's stores and other clients. A brigade system for knitting operates at the enterprise. The brigade (production line) is divided into groups that specialize in a particular kind of article. In turn, within the groups duties are strictly limited according to operations. The brigade works under a unified contract. Hence, everyone has an interest in the final result. It should be added that at the end of the first shift, uncompleted articles remain on the machines. And so the second shift loses no time at all in attacking the "front" of the work.

In total, at light industry enterprises in the republic almost one-third of certified output is produced with the state Mark of Quality. Last year articles from the "N" index improved range worth R260 million were delivered to the trade network. And the volume of specially fashionable goods for young people and test batches marketed under temporary contract prices more than quintupled.

Great changes are taking place in local industry in the republic. In this sector the proportion of consumer goods is 72 percent.

Within the sector there is output that is produced on the basis of long-term agreements with the CEMA countries. Here it should be said that several years ago the rights of the union republic to engage in direct mutual cooperation within the CEMA framework were extended. And we are trying to make broad use of this since we see in this kind of cooperation a major reserve for expanding production and improving the quality of consumer goods. With the support of the USSR Council of Ministers the republic Ministry of Local Industry is participating actively in the organization of consumer goods production with industry in the GDR. Footwear with the trademark "Floare" is well known in the republic. Articles from the enterprise enjoy steady demand and they are handsome and up-to-date; and this has made it possible to extend the geographical range of deliveries. Thus, over the past 3 years orders placed for "Floare" footwear through the republic mail order trade office, and the corresponding deliveries have increased by a factor of 3.5. Highly efficient production and the mutual advantages of cooperation have created the prerequisites for an extension of the agreement through 1995. At this same association a production facility has been set up to produce the "Tebriz" high-quality double-weave Jacquard pile carpets, which are in great demand. Agreement has been reached to organize the production of large plastic articles for domestic use, and also household chemical products.

Aware of the special importance of the task of satisfying demand for consumer goods, the Moldavian Communist Party Central Committee is focusing the efforts of party, soviet and economic organs on the fulfillment and overfulfillment of the plans outlined. Much has to be done. In the current five-year plan for the social and economic development of the Moldavian SSR provision has been made for insuring a 135.2-percent growth in group "B" industrial sectors, which is 5.7 percent higher than in group "A" sectors.

But it is not enough merely to manufacture the goods; they must be skillfully distributed and presented.

In accordance with a decree promulgated by the Moldavian Communist Party Central Committee and the Moldavian SSR Council of Ministers, measures have been drawn up to further develop trade during the period 1981 through 1985, and these are being implemented. Tasks have been set for strengthening the sector's material-technical base, personnel training and skill enhancement, and improvements in consumer trade services.

The party central committee and the gorkoms and raykoms are exercising constant control over the fulfillment of adopted decisions. The program that has been implemented has made it possible to noticeably expand the material-technical base for trade. Some 315 stores have been commissioned, including a central department store in Kishinev city and trade centers in a number of rayons. The new stores are fitted out with up-to-date equipment and mechanisms, and they operate according to progressive service methods and have interesting architectural features and modern interiors. An on-site network is being developed for trading in industrial commodities and in foodstuffs and fruit and vegetables directly at the industrial enterprises.

The marketing of the most valuable and fashionable items of personal apparel and of goods that create comfort in the home and ease household chores, and items designed for education and leisure has been increased, and hence consumer demands have been more fully met. Compared with 1980, last year sales of nonfoodstuffs increased 12 percent. Businesslike cooperation between the collectives at industrial enterprises and in trade is exerting a positive effect on satisfying consumer demands more fully. As a result of these joint actions, in the past 3 years about 7,500 new kinds of apparel, footwear, printed fabrics, cultural goods, haberdashery items, and household goods have been assimilated. At the same time, 1,500 kinds of articles that are no longer in demand have been withdrawn from production.

The experience gained by the Kishinev central department store's cooperation with the Sewn Goods Factory imeni XXIII s'yezda KPSS, the Styaus Roshiye Knitwear Association and the Zorile Association shows that this kind of work enhances the responsibility of the manufacturers for the honor of the factory trademark. Moreover it promotes comprehensive and in-depth study of demand, enhances the role of enterprises and organizations in wholesale and retail trade in formulating production plans, and provides economically sound requests for industry to improve the forms and methods of trade. Regular meetings of representatives, fairs, meetings to discuss market conditions, sales exhibitions, combined "Days of Quality," the conducting of mutual "open days" and other measures implemented by these and other collectives are aimed at establishing close contacts. Here, proposals are developed for introducing changes into the product range and in specifications for the delivery of goods agreed earlier, proceeding from the current market conditions. The competitions that have been held over the past 4 years for better cooperation between industrial enterprises and trade are also justifying themselves.

In recent years joint work between trade and industry on studying supply and demand has been activated. Within the system of the republic ministry of trade

alone 32 special subdivisions are operating. And within the apparatus of the Ministry of Trade they have started for the first time in the country to use the balance between supply and demand. This is making it possible to take the necessary steps to correct disproportions arising in the market.

The expanded production of articles under index "D" (according to contract prices) is an important form of cooperation between trade and industry in terms of improving the consumer qualities of goods. Last year some R19 million of such goods were produced. In order to further expand production and improve the organization of trade in these goods, the Moldavian Communist Party Central Committee has held a special conference with leaders from the industrial ministries and the Ministry of Trade. It is intended to expand production and open in Kishinev a specialty store for the sale of index "D" goods.

Steps are being taken to increase the marketing of other articles. Thus, in order to activate commodity trade and improve consumer services, the trading area for the sale of carpets and rugs has been increased by a factor of 2.5. The network for the sale of articles made from gold and crystal, woolen shawls and other goods has been enlarged. Credit sales have doubled. Consumers have received with approval the seasonal clearance sales held close to the end of the season.

Since 1982, at furniture stores in Kishinev, Belts, Tiraspol, Bendery and other cities furniture has been marketed according to samples, with home deliveries direct from the warehouses of the industrial enterprises. And costs for packaging, freight and storage have been cut back and the numbers of items damaged mechanically have been reduced. This form of service in the sale of local furniture has been greeted with shopper approval.

The "start-to-finish" brigade method is now being used on an experimental basis in the republic "Komfort" wholesale-retail association, which trades in furniture and related items. The closest cooperation has been organized with enterprises in the furniture, lumber, light and local industries to make current studies of demand and control the range of goods offered, and also to set up a unified system of material incentive for store workers and main suppliers according to a coefficient of completeness for product range.

It is noteworthy that this form of trade extends beyond the framework of the trade process as a comprehensive consumer service in response to orders placed ahead of time, and covers sales of furniture and related items, home deliveries, and assembly and installation. Workers in trade, industry, transportation and consumer personal services have all become involved in this technological chain.

Special attention has been given to the development of commission trade for nonfoodstuffs. This question has been specially reviewed in the Moldavian Communist Party Central Committee. The task has been set of expanding the network of commission stores in the cities and of opening them in each rayon center. In the past 3 years 19 of these stores have been commissioned.

However, despite the fact that within the republic much is being done to improve relations between trade and industry in the areas of expanding production,

extending the product range and improving the organization of trade, there are problems that are exerting an adverse effect on providing high-quality everyday consumer goods. Claims are still being made against quality and selection of articles produced in the republic. In particular the selection is inadequate in the "thousands of trifles" group. Articles are delivered to trade that differ markedly from the samples shown. Delivery schedules for goods are not being met in accordance with agreements. On the other hand, trade still does not have a proper idea of consumer demand. It happens that orders are placed with industry for a given article in specific amounts but when production is set up less is taken than was ordered, or none is taken at all.

The prospects for the development of trade in the republic have been defined by a goal-oriented comprehensive program covering the period through 1990. It provides for further insuring the balance between supply and demand, achieving the most complete satisfaction of growing consumer commodity demand, and improving the forms and methods by which goods are brought to the consumer. During the 11th and 12th five-year plans the volume of retail trade turnover will grow more than 65 percent. And growth should be accompanied by structural improvement.

We realize that only day-to-day persistent attention to these matters will lead in the coming years to fundamental improvement in the work of the sectors producing and marketing consumer goods, and will enable fulfillment of the tasks set by the 26th CPSU Congress and subsequent CPSU Central Committee plenums, aimed at further improving the well-being of Soviet people.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### BSSR TRADE, CONSUMER SERVICES CHIEF OUTLINES STRATEGIES

Moscow SOVETSKAYA TORGOVLYA in Russian 10 Jul 84 p 2

[Article by L. Lappo, chairman, Permanent Commission on Consumer Goods and Trade, BSSR Supreme Soviet, Minsk, in the column "Councils and Trade": "By Name and by Commission"]

[Text] The question of production of consumer goods to lighten the housewife's task was first discussed by the Presidium of the BSSR Supreme Soviet as early as August 1981. In October 1982 our Consumer Goods and Trade Commission of the BSSR Supreme Soviet, together with the Commission for Women's Life and Labor Questions and Protection of Mothers and Children, examined ways to implement the previously-adopted resolution.

The review showed that special shops, sections and independent factories for manufacturing these goods had been set up in the preceding period at a number of Belorussian enterprises. Production increases were found for electric juicers, steamers, meat-grinders and fish-cleaning machines, warmers for baby food, mushroom and fruit driers, choppers and other articles that made time savings in food preparation possible. Production of synthetic kitchen detergents and bleaches rose significantly. Demands were completely satisfied in the case of rolling machines, cabbage shredders, partitioning lids, knife sharpeners, cherry pitters, dumpling makers, boards for cutting fish and other articles which had been in short supply previously. The enterprises of local industry began to put instruments and garden tools into production.

However, the deputies also found serious faults. Inadequate use had been made of extra production beyond the regular line to expand production. This was partly explained by the fact that in Minsk, for example, extra material in metal production was not exchanged cooperatively between enterprises; there had also been no strict inventory and accounting in their collection, reworking and utilization. Planning for goods used in daily life and the household had been carried on basically in the expression of cost and only to an insignificant extent in the physical assortment. As a result, many enterprises fulfilled plans by expanding production of expensive goods while decreasing output of inexpensive but necessary consumer items.

After the situation had been studied on site and the materials discussed by the deputies, it was resolved to put the question before the Presidium of the BSSR Supreme Soviet for discussion once again. Yu. M. Khusianov, first deputy chairman of the BSSR Council of Ministers, gave a report. Discussion revealed that the Republic Gosplan and ispolkoms of local soviets of people's deputies had not been sufficiently concerned with systematic resolution of the question concerning lightening household tasks nor discussed this problem as an important social task. The BSSR Ministry of Trade, the BSSR Cooperatives Association and their agencies had neither had a strong influence on industry nor always taken into account in its operations changes in purchaser demand for specific goods nor adequately used their rights to carry out sanctions regarding combines and enterprises which had not met the conditions of agreements.

The Presidium of the BSSR Supreme Soviet proposed to the BSSR Council of Ministers that systematic measures be worked out to increase production and expand the assortment as well as improve the quality of consumer goods including those that lighten household tasks. It was recommended to BSSR Gosplan that it assign annual targets to the Republic ministries and departments and the ispolkoms of soviets of people's deputies for production of these goods. The Republic's Ministry of Trade and Central Statistical Administration were instructed to work out a way of classifying household work-saving devices into separate groups and carry out inventory and accounting of their production and delivery.

The implementation of these recommendations is bearing fruit. The BSSR Council of Ministers approved a systematic goal-directed program for the Republic aimed at increasing production of consumer goods in the period 1981-85 and that up to 1990. It sets the targets for every ministry, agency, oblast ispolkom and the Minsk city ispolkom. The volume of production for labor-saving household devices is established for individual divisions. The program will be carried out under the supervision of BSSR Gosplan. These problems are to be put systematically before the local soviets of people's deputies. With each year there is expansion of the physical assortment of labor-saving household devices. In comparison with 1982, the production of these rose by nine percent last year and now it exceeds 360 million rubles in the summary expression.

In the spring of 1982 members of our permanent commission examined the Republic situation respecting consumer retail services. In their presentations the deputies analyzed strong and weak points of the activity of the Ministry of Trade and spoke of large amounts of time still expended by consumers in making purchases. The BSSR Ministry of Trade activity in improving consumer retail services was brought up for discussion by the Presidium of the BSSR Supreme Soviet, which directed specific measures to eliminate the inadequacies revealed. In May of last year the Commission again took up this

problem. We discussed with BSSR Minister of Trade N. A. Makayev the fact that trade organizations in a number of places do not meet the demands imposed upon them: interruptions in sales of goods adequately supplied at warehouses and bases have not been eliminated and errors in distributing goods and maneuvering them still occur. The Commission recommended to the Ministry that additional measures be worked out; it now monitors their implementation.

We must add that positive accomplishments have taken place in the activity of the Ministry of Trade of the BSSR. The Ministry is focusing its interaction with industry more sharply. Joint boards of the BSSR Ministry of Light Industry and the BSSR Ministry of Local Industry have been established. Comparative exhibits of goods for consumer use are being organized for Belorussia and outside the Republic. Greater demands are being applied to the assortment and quality of articles in purchasing goods and concluding agreements. Seasonal trade became more active.

Of course not all the problems of concern to the Commission are brought to the Presidium of the BSSR Supreme Soviet for discussion. More often we are interested in how trade is organized locally and what causes problems in mending faults in its activity as well as suggesting what should be done in a given city or region to improve the retail trade situation.

A study of the retail trade situation in Petrikov Rayon, Gomel Oblast and in the city of Bobruysk was done; in April of this year the Commission reviewed the problem of the state of retail trade in Cherikov Rayon, Mogilev Oblast. At a meeting it was stated that the ispolkoms of the soviets had brought about with the support of the deputies and permanent commission an improvement of the situation in building, repairing and reconstructing trade enterprises and in establishing progressive forms and methods of service. Rates of growth in commodity circulation in this rayon were higher than the oblast average. However, examination revealed that in a number of stores in the rayon there were shortages of adequately supplied goods. In rural areas there is little trade in semifinished goods and prepared foods including baked goods. For a long time there have been defects in the refrigerated counters and storerooms in the villages Veprin, Ushachi and Golovchitsy, which causes problems in turnover of products that spoil easily. These inadequacies and others are explained by the fact that the style and working methods of the soviets of people's deputies and their ispolkoms do not always correspond to requirements and by the fact that organizational work is frequently done in meetings where generally good resolutions, once passed, remain on paper because their implementation is not strictly supervised.

We pointed out to V. M. Popenyuk, deputy chairman of the ispolkom of Cherikov Rayon Soviet of People's Deputies that his performance would be judged on the basis of actual results in improving the people's living and working

conditions. The BSSR Cooperatives Association was charged with helping the rayon in practical ways to further improve consumer retail trade. Specialists have been sent there who have helped local comrades to tighten discipline and organization and to improve retail trade.

In economic operations as well as in active supervision thereof, specific and feasible measures are required. But this is hard to accomplish if these matters are discussed only at sessions. As Comrade K. U. Chernenko stated in his speech at the April (1984) Plenum of the CPSU Central Committee, it is necessary for permanent commissions of the soviets of people's deputies to keep its finger on the pulse of the country's economic life at all times. Deputies entering our commission concentrate their energies on more effective and higher-quality industrial work where production of consumer goods is concerned and in improved consumer retail trade.

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## FOOD PROCESSING AND DISTRIBUTION

### IMPROVEMENTS URGED IN 'FIELD-TO-STORE' FOOD DELIVERY

Leningrad LENINGRADSKAYA PRAVDA in Russian 12 Jul 84 p 2

[Article by V. Kolesnikov: "Is It Only the Weather That Is To Blame?"]

[Text] Leningraders are now accustomed to the fact that in late June and July increasing amounts of vegetables, grown in sovkhozes near the city, appear in the stores. At the height of summer sales of fresh fennel, lettuce, sorrel, cauliflower, marrow and much else should be uninterrupted. They should be, but are they? We went with this question to senior inspector of the state inspection service for the quality of agricultural produce and raw materials, R.A. Shmagina, and chief of the fruit and vegetables section in the Fruit and Vegetable Trade Administration, G.A. Zakharova, to find out how work in accordance with the "field-to-store" system of direct links is proceeding today.

Store No 17 at 59 Nevskiy Prospect greeted us with a sorry display on the shelves. The only fresh vegetables for sale were the long cucumbers from the Leto firm, along with heads of cabbage. To put it mildly, the assortment was not great. Especially if you take into account that this store belongs to the specialized Lenovoshch market and is a firm for the Vyborgskiy and Krasnyy Oktyabr sovkhozes.

"Yes, it would seem that there should be a larger selection of vegetables," says the director, N.A. Vasil'yeva. "But in practice it happens that we not only do not have any advantages, but in some ways are even restricted. In the past few days the Vyborgskiy sovkhoz has virtually refused to take our orders: they say that output is low. And in the Krasnyy Oktyabr sovkhoz they have offered some produce but set the condition that we must handle everything with our own transportation because they allegedly have no smaller vehicles that are capable of traveling to our warehouse."

And so, on the one hand there are the "objective" difficulties, and on the other, a store without vegetables. And this is apparently a matter of concern only for the shoppers. Neither the trade workers nor the sovkhozes, which should be concerned for their own stores, have done anything to improve the selection. They have not been exacting one to the other, and no appeal has been made to the higher organizations.

Store No 77 at 20 Zanevskiy Prospect also failed to please with any abundance of vegetables. True, the order placed for us by the director, D.A. Kiriya, to the Krasnyy Oktyabr sovkhoz had been courteously received, and they had agreed to send lettuce, fennel, sorrel, cauliflower and turnips. But as we found out the next day, they were short of these products, and so the greens and vegetables were not delivered to the store.

The selection at Lenovoshch market store No 52 at 8 Ivanovskiy Street, which is also a Krasnyy Oktyabr store, was little better. The director, V.I. Ulitskiy, has serious claims not only against the selection of vegetables delivered but also the delivery times. Indeed, fast-spoiling produce such as lettuce or sorrel is often delivered at the end of the day. After it has sat all night in the store the wilted greenery attracts few buyers. Things are not all well with the transportation, either: the sovkhoz workers often offer vegetables on condition that the store sends its own vehicle for them.

The state of affairs in other stores in the city differed only in the details; the claims being made against the suppliers were the same everywhere. We therefore set off for the sovkhozes, hoping to discover the reasons for the interruptions on the vegetable conveyer belt.

One reservation must be made: for the farmers, this year has not been the most successful in terms of the weather. A dry spring and early summer, frost in June--all this affected the harvest. With great effort the sovkhoz workers saved their fields, but harvests of some vegetables are smaller than anticipated, and schedules for the ripening of some crops have been altered.

This harvest is a difficult one. And so it is the more important that at the end of the vegetable conveyer belt--the harvesting and marketing of the vegetables--there be special procedures and that the best organization, precision and smoothness in the work be achieved in all wings.

Unfortunately, this is by no means always the case. On the day of our trip the reception and delivery point of the Ruch'ye sovkhoz was empty and no produce had been sent to the stores. But this sovkhoz is part of a specialized association whose management can and should maneuver with its resources and use one farm to cover losses at another. This is what is written in the proposal on direct link work. However, at the Ruch'ye Association this is not being done. Not a single sovkhoz has any produce and there will be none for the stores with which they deal. Even though a neighboring farm in this association does have vegetables available.

We saw fine cucumbers, fresh sorrel, turnips and other vegetables at the reception and delivery point for the Krasnyy Oktyabr sovkhoz. And here, produce was being loaded onto vehicles and sent off to the stores.

On the journey from the reception point we saw a large covered truck loaded with first-class produce. We asked which store shoppers would be the lucky ones today. The driver answered: Store No 38 in the Lenovoshch market.

But why? This store should receive its goods from one of the sovkhozes in the Detskosel'skoye Association. The senior marketing agronomist at the Krasnyy

Oktyabr sovkhoz, A.A. Pronina, was unable to provide an answer to this question. The vehicle took off for store No 38 and the trade enterprises supported by by this sovkhoz remained on hunger rations.

Work on direct "field-to-store" links can be effective only if there is accurate knowledge and undeviating fulfillment of their duties by each of the partners. Accordingly, before the start of the vegetable season there must be a determination of which stores and which sovkhozes are linked, and time schedules must be set up for movements of produce into trade, along with the necessary selection and sovkhoz requirements for transportation for operations in accordance with direct links. Here, significant advantages accrue to sovkhoz-linked stores both in terms of deliveries and in terms of the selection of vegetables. A.A. Pronina is an experienced worker who has been engaged for some years in supplying Leningraders with early vegetables. It would seem that she knows all the simple mechanics of the matter off by heart. But we find out in conversation with her that, for example, she is offering almost no advantages for sovkhoz-linked stores. And produce is distributed depending on who has succeeded in providing transportation. And here it turns out to be not so important whether or not a store is sovkhoz-linked.

"So, the reason for many shortcomings is shortages of transport?" we ask the sovkhoz director, A. V. Rogalev.

"No, we have enough vehicles."

"Then why does the marketing service impose these conditions on the stores?"

"I shall find out."

And he does. It turns out that the marketing service, placing the interests of the sovkhoz above all else, has ordered 10 vehicles instead of the 15 allocated. And the drivers have been given even less to drive--only eight. And so only half of the requested transport is working on early vegetable deliveries. This kind of saving does not work. The shoppers in some regions of Leningrad cannot obtain fresh vegetables during this summer period.

It is as if the decree on work by direct "field-to-store" links and the other documents connected with it are not binding for a number of officials. They interpret them as they wish and violate them in favor of narrow departmental interests. And they are violated at the most varied levels. We have already talked about the sovkhoz marketing service. And what about the directions issued by the management of Main Leningrad Fruit and Vegetables Industry Administration that are in flagrant contradiction of the decree, banning stores from bringing cucumbers from the sovkhozes for one week! This was because many cucumbers had been amassed at the city bases, including those brought in from the south of the country. The bases were not prepared for switching them about or pickling them and the central board was unwilling to tolerate the losses that would result if the produce spoiled. And so they issued the instruction, passing the burden to the sovkhozes. And the cucumbers remained there.

Neither have the managers of the specialized sovkhoz associations done everything possible to improve the situation. Thus, for how many years now has the question of organizing central dispatcher services remained unresolved. The general director of the Ruch'ye Association, V.M. Pashinskiy, for example, thinks that each sovkhoz should work independently. As a result, as we see, opportunities are lost for switching output and for having one farm cover another; but this means more precise supplies of vegetables for citizens.

This year is difficult for the farmers. But the vegetable conveyer is gathering strength. It need hardly be said that in organizing this important matter, strategy is extraordinarily vital, together with the clear-cut resolution of questions by managers and conscientious work by each person in his place. Concern for the well-being of the buyer and for maximum provision of Leningraders with vegetables should become paramount for all who are engaged in this important matter.

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## FOOD PROCESSING AND DISTRIBUTION

### LOSSES NOTED IN CANNED GOODS INDUSTRY

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 17 Jul 84 p 1

[Article: "Processing Without Waste"]

[Text] The peak season in the activity of the workers of the food-conserving industry has arrived. In the fields and gardens the fruits of the new harvest are ripening and filling with juice. Some of them have already ripened and are bursting in the work stations of processing enterprises. The new season has begun.

The Food Program plans far-reaching measures to supply the people with more fruits and vegetables. In the 11th Five-Year Plan, vegetable and melon production is to be brought up to 33-34 million tons and that of fruits and berries to 11-12 million tons. It is important not only to grow these products but also to keep them and drastically reduce waste on the route from the field to the consumer. And here a great responsibility lies on the shoulders of workers in the food-conserving industry.

This year they are supposed to increase production by 7.3 percent. Production whose demand has risen--vegetable salad in jars, green peas, canned tomatoes and high-quality pickles, canned fruit, jam, preserves and grape juice--is to be increased at a faster rate than previously.

These great and complicated tasks demand a conscientious attitude towards work and a high degree of efficiency on the worker's part.

"It is right for each of us to forbid himself any slackening whatever," said Comrade K. U. Chernenko at the April (1984) Plenum of the CPSU Central Committee. "Even uneasiness or anxiety for the sake of the state plan should not weaken our efforts for a single moment."

It is precisely such unrest that distinguishes the lead collectives of the processing industry. They prepared actively for the season of fruit and vegetable processing. In many enterprises system-mechanized and automated

production lines have been mounted and adjusted on time. Such manual operations as loading raw materials into bins or glass jars into autoclaves and others are being mechanized. Small containers which are practical for the consumer are being introduced in food-conserving. The ties between the urban and rural sectors of the agroindustrial complex are being strengthened.

Managers of enterprises are giving more and more attention to recruiting and preparing cadres as well as training them and improving their qualifications. Party and trade-union organizations are developing socialist competition extensively in order to fulfill the Five-Year Plan ahead of time.

All this has enabled collectives such as the Bendery conserving plant in Moldavia and the combines of Krymsk in the Kuban and of Samarkand to prepare efficiently for the season and begin it successfully. The processors of Krymsk, for example, have already produced 70 million standard jars of green peas instead of the planned 61 million.

However, preparation for the season is taking place slowly at some enterprises in the RSFSR, the Ukraine, and Georgia. Repair of buildings and equipment is lagging behind the approved schedules.

In such cases, economic managers and Party and trade-union workers often try to justify themselves. They say that there is still time until the beginning of the season and that there will be enough time. The experience of many years has shown that laxness at the beginning and middle and haste at the end lead in most cases to low-quality repair. Machines that are poorly adjusted and warmed up quickly cease functioning smoothly. There are long standstills, leading inevitably to waste of crude foodstuffs.

One must also take into account that this year, in most parts of the country, green peas, squash and eggplant are ripening slowly. This means that they will begin to arrive at the factories at the same time as cucumbers, tomatoes and apples and thus intake of unprocessed materials that had been sequential will now be parallel. The food-conserving workers ought to be ready for this.

In order to deal with the growing stream of farm produce, the large-scale intake of unprocessed food must be organized in farms at once and links between kolkhozes and sovkhozes and the processing plants must be strengthened.

But successful management of the season and reduction in waste of crude foodstuffs does not depend on the processing workers alone. Conserved produce above all means jars and bottles in which produce is kept and containers in which it is transported.

For example, anxiety is awakened by the fact that the enterprises and organizations of the USSR Ministry of Trade are not fulfilling the plan for delivery of glass containers to the conserving industry. Up to now no

reinforcement for dispatching millions of standard conserving cans has been provided. As a result they are in increasingly short supply at the enterprises. Production by the workers is overflowing the warehouses and piling up in the yards of plants.

The metallurgy combines of Magnitogorsk, Lys'va and Karaganda are supplying the conserving plants with white tin at an irregular rate and with deviations as to thickness and format. On paper, calculated in terms of tons, the processing plants are receiving everything they need. But in the case of tin cans made of excessively thick metal, at times almost 20% fewer are delivered. The conserving industry is making serious complaints about the quality of jars delivered from glass plants in Tiraspol', Kamyshi and Kishenevsk.

A paradox has developed in the turnover of fruit juices, especially apple juice. In stores and informal restaurants it is often lacking for the managers do not like to accept it on the grounds that there is no demand. As a result, capacities intended for intake of juices from the fruit of this year's harvest are filled with last year's production at many plants. We must not put up with this situation. While dissension continues, time is running out. Ministries of farm produce and trade in the Union ought to find a common language and take care that juices are delivered to the consumer and that the processing enterprises be prepared for intake of the new harvest as quickly as possible.

During the season every hour is precious. The harvest will not wait. For this reason, everyone connected in some way with processing ought to show a deep feeling of responsibility now for the assigned task and take all necessary measures to prevent loss of the produce that has matured in our fields.

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## FOOD PROCESSING AND DISTRIBUTION

### PROSPECTS OF WASTE FREE TECHNOLOGY IN ESTONIAN FOOD PROGRAM

Tallinn RAHVA HAAL in Estonian 1 Jun 84 p 2

[Article by Tiit Lehiste: "Thousands of Tons of Additional Food: Toward Maximum Utilization of Animal Products; Chocolate Pudding, Chocolate Cream From Animal Protein; The Outlook--50 Million Rubles' Worth of Dry Concentrates Annually"]

[Text] Today we'll talk about the Food Program, but we'll leave the masters of great production in the fields and farms and step into the meat combine, where the valuable agricultural raw material, meat, is being processed. We are especially interested to learn how much of the animal raised by the farmer is used for food. Calculations indicate that meat amounts to 50-65 percent of an animal's live weight, depending on the kind of animal. Here we must subtract bones, veins, surface fat, byproducts. These are mostly used to make meat and bone meal for animal feeds and for technical purposes, mostly to make bone glue. Are we not returning too much valuable animal protein to animals and are we not wasting it in industrial use? This is surely so, especially due to a lack of suitable technology.

This is today in the meat industry; in many ways it is yesterday, since time had already made its corrections.

It has now been five years that a group of the Construction and Technology Bureau staff of the ESSR Meat and Dairy Industry Ministry enthusiasts began their search for new technology.

By now the collective that includes many of our republic's leading meat and dairy industry specialists has earned seven author certificates. From the very beginning Ants Erg, deputy director for science of the Bureau has been the leading spirit of the undertaking. Research that has lasted for five years has been successful, great profits are arising from it.

The new technology is in itself quite simple. Bones, tendons, veins and other byproducts of meat processing are ground extremely fine. For this purpose a self-cleaning disintegrator was built along with scientists from the Tallinn Polytechnic Institute. Next, protein is washed out of the ground mass. Fat and solids are removed, the emulsion is dried rapidly at a temperature of 130-150 degrees Centigrad. A tasteless whitish powder is obtained, containing 95 percent pure animal protein. The main value of the technology is the fact that in this way protein can be obtained from a raw material that up to now had been unsuitable for feed.

Let's consider veins as an example. In a year about 2000 tons of this raw material accumulates in our republic's meat processing plants. Half of it consists of meat adhering to the veins. This alone results in 1000 tons of meat that the new technology has won back for the dinner table.

Bone use is a separate question. Bones have been used for soup at home, while industry has made animal feed and bone glue from them.

The 26th CPSU Congress stressed that use of edible raw material for industrial production must cease. Yet the production of bones glue continues.

A ton of bones yields glue valued at 317 rubles, including artificial fat, etc., but the new meat technology makes the same amount of raw material yield almost 1700 rubles' worth of food, not including industrial production valued at 100 rubles. The annual bone production in our meat plants averages 10,000 tons, a tenth of this is meat that unavoidably clings to the bone. Here we can regain 1000 tons of meat in the form of valuable dry protein, not to mention bone protein.

Only proteins easily soluble in water are washed out of the pulverized bone mass. The solid remainder, a collection of minerals having an ideal proportion of macro- and micro-elements is an excellent source for many concentrated feeds. It should be mentioned that the Bureau has also developed a method to produce protein rich animal feed.

The implementation of the new technology is also important from the environmental protection standpoint. A comprehensive use of the raw material for food purposes reduces the protein content of waste water; this in turn alleviates the pressure of the purification systems.

So, pure animal protein is obtained from animal sources. How is this dry protein to be used? Here the specialists of the Bureau have also done a lot of work. Feed protein is a semifinished product that, with the addition of condiments and additional ingredients, will yield various products that are always valuable since they contain irreplaceable amino acids. Mixing fat, salt, and condiments to the solid protein a dry bouillon powder was obtained. Making broth from it takes as much time as making coffee from instant powder. The dry bouillon concentrate, made by the Bureau's experimental department at Turi, has been used by our republic's food firms for two years. Plans call for making 36 tons of dry concentrate this year that will yield 1800 tons of nourishing broth. In the third quarter Italian machines for small packaging will arrive, so that by the end of the year the dry broth can be bought in retail outlets as well.

A sauce base made from protein is also convenient for the housewife--only add water, bring to a boil, and the sauce is all done. The most recent products were submitted to the taste commission of the meat industry for evaluation. The cold mustard and horseradish sauce, cocoa, nut, and coffee puddings, chocolate and cinnamon cremes were pronounced tasty. Although desserts made from animal protein are still unusual from the traditional standpoint, the way to new possibilities has been shown.

The science and technology council of the USSR meat and dairy industry ministry approved the new technology, there has been interest in it in other federal republics. A plan for implementing the new technology union-wide was developed in the ministry. There are also plans to establish a permanent all-union school in our republic to train in the use of dry protein and dry concentrate technology.

This is a recognition for the doers, the specialists of the Construction and Technology Bureau of the ESSR Meat and Dairy Industry Ministry, but also for the products, the fruits of research that are now acquiring Union-wide importance. But how is the implementation of the new technology progressing here?

Last year three tons of dry protein were produced in the experimental department of the Bureau at Turi. Now it is produced in the Vohma meat plant, and preparations for production are underway in the Tartu and Valga meat plants, the Tallinn refrigerated plant, and the Tallinn meat and canned meat combine.

The realization of dry protein production programs brings about a need for a plant for dry concentrates. Since the quantity of raw materials delivered to the Tallinn glue factory decreases year by year, would it not be sensible to retro-fit that plant? A dry concentrate plant could produce almost 50 million rubles' worth of dry concentrates annually. This is a food product for which no additional animal products are needed.

The implementation of new technology requires machines, time, and resources. Should not all kind of assistance be offered to the ESSR Meat and Dairy Industry Ministry, and the efforts of various agencies combined, so that the specialists' and scientists' fruits of common labor will come into use as soon as possible?

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